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**China Candy Holdings Limited**  
**中國糖果控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 08182)**

**UPDATE ON SUSPENSION OF TRADING**

This announcement is made by the Company pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcement of the China Candy Holdings Limited (the “**Company**”) dated 14 December 2017, 15 January 2018, 5 February 2018, 12 March 2018 and 25 April 2018 (the “**Announcements**”). Unless the context otherwise requires, the capitalised terms used therein shall have the same meanings as defined in the Announcements.

As disclosed in the announcement of the Company dated 14 December 2017, it was noted that accounting personnel of the Company in the People’s Republic of China were unable to confirm the authenticity of certain information and/or electronic copy in relation to the bank accounts, trial balances, and bank ledgers of the Company and/or its subsidiaries (the “**Information**”). It was further disclosed in the announcement of the Company dated 5 February 2018, that the Company has appointed Mazars Corporate Recovery & Forensic Services Limited (“**Mazars**”) to assist the Independent Investigation Committee to conduct an investigation into the authenticity of the Information (the “**Independent Investigation**”).

## **PROGRESS OF INDEPENDENT INVESTIGATION**

With regard to the ongoing Independent Investigation, Mazars produced a first draft of the Independent Investigation Report dated 13 August 2018 (the “**Draft Report**”) and it was circulated among members of the Independent Investigation Committee and the Board of the Company (the “**Board**”).

The Draft Report has identified certain issues during the Independent Investigation that would require the Company to provide Mazars with further information and documents before finalisation of the Draft Report. With a view to reach conclusive findings, the Independent Investigation Committee will instruct Mazars to continue the Independent Investigation and conduct necessary works in relation to the issues as identified in the Draft Report.

## **INTERNAL CONTROL**

Considering the preliminary findings made in the Draft Report, the ongoing nature of the regulatory enquiry and the interest of the Company, the Board passed a written resolution dated 28 August 2018, resolving, inter alia:–

- (1) That all transactions of the Company’s subsidiaries in the People’s Republic of China (the “**PRC Subsidiaries**”) over the amount of RMB50,000 be approved by all executive directors of the Company, or by any person(s) which the Board may think fit from time to time, pending the final result of the Independent Investigation;
- (2) That bank statements from all bank accounts of the PRC Subsidiaries should be provided to the Board for review on a weekly basis; and
- (3) To immediately suspend all work responsibilities and powers of Ms. Hong in relation to the financial affairs of the PRC Subsidiaries except for all necessary transitional arrangements, pending the final result of the Independent Investigation.

## **CONTINUED SUSPENSION OF TRADING IN THE SHARES**

Trading in the shares of the Company has been suspended since 9 a.m. on 12 December 2017 and will continue to be suspended until further notice.

By order of the Board  
**China Candy Holdings Limited**  
**Ms. Yvonne Hung**  
*Chairperson*

Hong Kong, 10 September 2018

*As at the date of this announcement, the executive Directors are Ms. Yvonne Hung, Ms. Hong Yinzhi and Mr. Yip To Chun; and the independent non-executive Directors are Mr. Chiu Sai Chuen Nicholas, Ms. Tsui Suk Man and Mr. Law Yiu Sing.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its publication and on the website of the Company at <http://www.hollywoodfood.com>.*