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TEM Holdings Limited

創新電子控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8346)

**VOLUNTARY ANNOUNCEMENT
IN RELATION TO
THE INFLUENCE OF NOVEL CORONAVIRUS
ON BUSINESS OPERATIONS**

This announcement is made by the board of directors (the “**Board**”) of TEM Holdings Limited (the “**Company**”, together with its subsidiaries collectively known as the “**Group**”) on a voluntary basis for the purpose of keeping the shareholders and potential investors of the Company informed of the Group’s latest business operations in relation to the recent outbreak of novel coronavirus (the “**Coronavirus**”) in the People’s Republic of China (the “**PRC**”).

Since the outbreak of the Coronavirus, the PRC Government has taken emergency public health measures and various actions to prevent the spread of the Coronavirus in the PRC, including, among others, imposing restriction on work resumption date after the statutory holidays for Chinese New Year and lockdown policies in certain cities prohibiting the movement of goods and people between provinces.

In order to ensure the health and safety of our employees and to facilitate the prevention and control of the Coronavirus, the Group has, (i) promptly established a crisis management working team in our factory located in Jiangmen of Guangdong Province (“**PRC Factory**”) for coordination and arrangement of provision of services in our premises with the aim to maintain normal operation; (ii) provided sufficient protective equipment and masks to our employees; and (iii) ensure that all our employees have strictly implemented the control and prevention measures formulated by the Group, including the strict observance of personal and environmental hygiene and regular body temperature checks for all employees and visitors entering into its premises.

Our PRC Factory has resumed production since 12 February 2020, three weeks after production halt since the Chinese New Year holidays and the suspension period prescribed by the relevant Government authority. However, some of our employees were unable to report duties due to limited transportation service in some affected areas and the 14-day

* *For identification purpose only*

mandatory quarantine measures, which lead to temporarily drop of production capacity in our PRC Factory. Besides, certain scheduled deliveries of raw materials were affected because of the traffic limitations imposed between provinces and cities in the PRC.

Moreover, under the prevailing situation, the supply chain logistic in general was also affected and therefore the Group's manufacturing factory located in Malaysia experienced delay in the supply of raw materials from those suppliers located in the PRC as well.

The Group expects that it will take some time before its production facilities can resume to normal production capacity. The Group is currently working closely with its suppliers to speed up the supply of raw materials and to catch up with the original production plan and the delivery schedule so as to fulfill its committed sales order for the months of February and March of 2020.

The Board will, relating to the Coronavirus and its consequences, (i) continuously assess the impact on the Group's operations and financial performance; (ii) closely monitor the Group's exposure to the risks and uncertainties therefrom; (iii) implement appropriate business strategies to mitigate the potential adverse impact on our business operations; and (iv) take appropriate measures and make further announcement as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
TEM Holdings Limited
Lau Man Tak
Chairman and Executive Director

Hong Kong, 2 March 2020

As at the date of this announcement, the executive Directors are Mr. Lau Man Tak, Mr. Vincent Ho Pang Cheng, Mr. Kan Wai Kee and Ms. Ng Ka Wai; non-executive Director is Ms. Koay Lee Chern; and the independent non-executive Directors are Mr. Ma Yiu Ho Peter, Mr. Lee Hon Man Eric and Mr. Cheung Wai Kuen.

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 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 "Latest Company Announcements" page of the GEM website www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.tem-group.com.