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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. Reference is also made to the announcement of the Company dated 2 March 2020 in relation to the recent outbreak of novel coronavirus (the “**Coronavirus**”) on business operations.

Following the global outbreak and the recent spike in Coronavirus cases in Malaysia, the Malaysia Government has made a special announcement at 10:00 pm on 16 March 2020 (Malaysian time) to implement the Restriction of Movement Order (the “**Order**”) under subsection 11(2) of the Prevention and Control of Infectious Diseases Act 1988 [Act 342] and the Police Act 1967 as a measure to curb the Coronavirus. This Order, effective nationwide for two weeks from 18 March 2020 and up to 31 March 2020 (the “**Period**”), includes, among others, the closure of premises, i.e. houses of worship, business premises as well as all government and private premises except for those involved in essential services for Malaysia.

One of the Group’s factory is located in Sungai Petani, Kedah Darul Aman, Malaysia (“**Malaysia Factory**”) and is therefore required to be shut down during the Period. The Group expects that there will be production halt and delay in the supply of raw materials from its suppliers which might lead to (i) a drop in the Group’s production volume during March 2020; and (ii) a postponement in delivery to customers. Under such circumstances, the Group has been working closely with our customers on their delivery schedules and/or to propose backup plan to mitigate the adverse impact.

* *For identification purpose only*

Following the experiences in our PRC Factory regarding the prevention and control of the Coronavirus, our Malaysia Factory has (i) already reserved sufficient protective equipment and mask for our employees; (ii) requested our employees to pay attention to the personal and environmental hygiene; and (iii) restricted our employees for business travelling.

In view of the respective temporary shut down in both PRC Factory and Malaysia Factory in February and March 2020, the estimated aggregate non-production days of the Group will be about four weeks. The Board henceforth anticipates that the Group may record a significant decrease in the sales for the three months ending 31 March 2020 which in turn may have an adverse impact on the financial result of the Group.

The Board reiterates that we will (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, 19 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 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 Listed Company Information" 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.