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Jumbo Planet Group Limited

*(Incorporated in the British Virgin Islands
with limited liability)*

TEM Holdings Limited

創新電子控股有限公司*

*(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8346)*

JOINT ANNOUNCEMENT

**(1) PROPOSED PRIVATISATION OF
TEM HOLDINGS LIMITED BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW)**

(2) PROPOSED WITHDRAWAL OF LISTING

AND

(3) DESPATCH OF SCHEME DOCUMENT

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



* For identification purposes only

Reference is made to (i) the joint announcement dated 22 September 2020 issued by the Company and the Offeror in relation to, among other things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement (under section 86 of the Companies Law) and the proposed withdrawal of listing of the shares of the Company; (ii) the joint announcement dated 13 October 2020 issued by the Company and the Offeror in relation to the extension of time for despatch of the Scheme Document; (iii) the joint announcement dated 13 November 2020 issued by the Company and the Offeror in relation to monthly update on the Scheme and the Proposal; and (iv) the Scheme Document dated 23 November 2020 jointly issued by the Company and the Offeror. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings ascribed to them in the Scheme Document.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document, together with the respective notices of the Court Meeting and the EGM to be held on Wednesday, 16 December 2020 and the related forms of proxy, will be despatched to the Shareholders on 23 November 2020.

The Scheme Document contains, among other things, further details of the Proposal and the Scheme, the expected timetable, an explanatory statement as required under the rules of the Grand Court, information regarding the Company, recommendation from the Independent Board Committee with respect to the Proposal and the Scheme, the letter of advice from the Independent Financial Adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of the EGM.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Ms. Koay Lee Chern, Mr. Ma Yiu Ho Peter, Mr. Lee Hon Man Eric and Mr. Cheung Wai Kuen, being all of the non-executive Director or independent non-executive Directors, as the case may be, has been established by the Board to make a recommendation to the Independent Shareholders as to (i) whether the terms of the Proposal and the Scheme are fair and reasonable; and (ii) whether to vote in favour of the Scheme and the Proposal at the Court Meeting and the EGM, respectively.

TUS Corporate Finance has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme. The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal (including the Cancellation Price) and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned, and accordingly, it has advised the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the EGM, respectively, to approve and implement the Scheme and the Proposal.

The Independent Board Committee, having considered the terms of the Proposal and the Scheme, and having taken into account the opinion of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the terms of the Proposal (including the Cancellation Price) and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends:

- (1) at the Court Meeting, the Independent Shareholders to vote in favour of the Scheme; and
- (2) at the EGM, the Shareholders to vote in favour of (i) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the ordinary resolution to simultaneously restore the number of issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares and to apply the reserve created as a result of the aforesaid reduction of the issued share capital of the Company to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme for allotment and issue to the Offeror.

Shareholders are urged to read and consider carefully the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal and the Scheme as set out in the letters from the Independent Board Committee and the Independent Financial Adviser as contained in the Scheme Document.

COURT MEETING AND EGM

The Court Meeting and the EGM are scheduled to be held at 10:00 a.m. and 11:00 a.m. (or as soon as practicable after the conclusion or the adjournment of the Court Meeting), respectively, on Wednesday, 16 December 2020 at 7/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong.

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modification).

The EGM will be held for the purpose of considering and, if thought fit, passing (i) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the ordinary resolution to simultaneously restore the number of issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares and to apply the reserve created as a result of the aforesaid reduction of the issued share capital of the Company to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme for allotment and issue to the Offeror.

The respective notices of the Court Meeting and the EGM are also contained in the Scheme Document. A joint announcement will be made by the Company and the Offeror in relation to the results of the Court Meeting and the EGM by no later than 7:00 p.m. on Wednesday, 16 December 2020.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders (all being Independent Shareholders) to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 10 December 2020 to Wednesday, 16 December 2020 (both days inclusive) (or such other dates as the Shareholders may be notified by way of an announcement), and during such period, no transfer of the Shares will be effected. In order to qualify to attend and vote at the Court Meeting and the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong before 4:30 p.m. on Wednesday, 9 December 2020.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme is subject to the fulfilment or waiver, as applicable, of all the Conditions as described in the explanatory statement set out in Part VII of the Scheme Document. All the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree in writing or, to the extent applicable, as the Grand Court on application of the Offeror or the Company may direct and in all cases, as permitted by the Executive), failing which the Scheme will not become effective and the Proposal will lapse.

Assuming that the Conditions are fulfilled (or, as applicable, waived in whole or in part), it is expected that the Scheme will become effective on the Effective Date, which is expected to be Friday, 8 January 2021 (Cayman Islands time). The Company will make an application to the Stock Exchange, pursuant to Rule 9.23(2) of the GEM Listing Rules, for the withdrawal of the listing of the Shares on the Stock Exchange with effect from 4:00 p.m. on Tuesday, 12 January 2021.

Further announcements will be made in relation to, among other things, (i) the results of the Court Meeting and the EGM and, if all the resolutions are passed at those meetings; (ii) the results of the Grand Court hearing of the petition to sanction the Scheme and to confirm the issued share capital reduction; (iii) the Effective Date; (iv) the Scheme Record Date; and (v) the date of withdrawal of the listing of the Shares on the Stock Exchange.

EXPECTED TIMETABLE

The expected timetable for the Proposal and the Scheme is as follows:

Hong Kong Time
(unless otherwise stated)

Date of despatch of the Scheme Document..... Monday, 23 November 2020

Hong Kong Time
(unless otherwise stated)

Latest time for lodging transfers of Shares in order to qualify for entitlement to attend and vote at the Court Meeting and the EGM 4:30 p.m. on Wednesday, 9 December 2020

Register of members of the Company closed for determination of entitlements of the Scheme Shareholders (all being Independent Shareholders) to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM ^(Note 1) From Thursday, 10 December 2020 to Wednesday, 16 December 2020 (both days inclusive)

Latest time for lodging forms of proxy in respect of ^(Note 2)

(a) Court Meeting 10:00 a.m. on Monday, 14 December 2020

(b) EGM 11:00 a.m. on Monday, 14 December 2020

Meeting Record Date Wednesday, 16 December 2020

Court Meeting ^(Note 3) 10:00 a.m. on Wednesday, 16 December 2020

EGM ^(Note 3) 11:00 a.m. on Wednesday, 16 December 2020
(or as soon as practicable after the conclusion or adjournment of the Court Meeting)

Announcement of the results of the Court Meeting and the EGM posted on the website of the Stock Exchange no later than 7:00 p.m. on Wednesday, 16 December 2020

Expected latest time for trading in the Shares on the Stock Exchange 4:10 p.m. on Thursday, 17 December 2020

Hong Kong Time
(unless otherwise stated)

Latest time for lodging transfers of
Shares in order to qualify for entitlements under
the Scheme 4:30 p.m. on Wednesday,
30 December 2020

Register of members of the Company
closed for determining entitlements to
qualify under the Scheme ^(Note 4) From Thursday,
31 December 2020 onwards

Grand Court hearing of the petition
to sanction the Scheme and to confirm
the issued share capital reduction Wednesday, 6 January 2021
(Cayman Islands time)

Announcement of the results of
the Grand Court hearing of
the petition to sanction the Scheme and
to confirm the issued share capital reduction,
the expected Effective Date, the Scheme Record Date
and the expected date of withdrawal of
the listing of the Shares on the Stock Exchange..... Thursday, 7 January 2021

Effective Date ^(Note 5) Friday, 8 January 2021
(Cayman Islands time)

Scheme Record Date Friday, 8 January 2021

Announcement of the Effective Date and
the withdrawal of the listing of
the Shares on the Stock Exchange..... Monday, 11 January 2021

Withdrawal of the listing of
the Shares on the Stock Exchange
becomes effective ^(Note 6) 4:00 p.m. on Tuesday,
12 January 2021

Latest time to despatch cheques for
cash payment under the Scheme ^(Note 7) On or before Tuesday,
19 January 2021

**Shareholders should note that the above timetable is subject to change. Further
announcement(s) will be made in the event that there is any change.**

Notes:

- (1) The register of members of the Company will be closed during such period for the purpose of determining the entitlements of (i) the Scheme Shareholders (all being Independent Shareholders) to attend and vote at the Court Meeting; and (ii) the Shareholders to attend and vote at the EGM. This book closure period is not for determining entitlements under the Scheme.
- (2) The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the EGM should be completed and signed in accordance with the instructions respectively printed on them and should be lodged with the office of the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible and in any event no later than the times and date(s) stated above. In order to be valid, the **pink** form of proxy for the Court Meeting and the **white** form of proxy for the EGM must be lodged no later than the latest times and date(s) stated above. Completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder (being an Independent Shareholder) and a Shareholder, respectively, from attending the relevant meeting and voting in person. In such event, the returned form of proxy will be deemed to have been revoked. If the **pink** form of proxy is not so lodged, it may also be handed to the Chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it.
- (3) The Court Meeting and the EGM will be held at 7/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong at the times and date specified above. Please see the Notice of Court Meeting set out in Appendix IV to the Scheme Document and the Notice of EGM set out in Appendix V to the Scheme Document for details.
- (4) The register of members of the Company will be closed as from such time and on such date for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
- (5) The Scheme shall become effective upon all the Conditions set out in the paragraph headed "4. Conditions of the Proposal and the Scheme" in Part VII — Explanatory Statement of the Scheme Document having been fulfilled or (to the extent permitted) waived (as the case may be). The Effective Date would be earlier than the date of announcement of the Effective Date and the withdrawal of the listing of the Shares on the Stock Exchange due to time difference between Hong Kong and the Cayman Islands. Pursuant to Rule 15.7 of the Takeovers Code, except with consent of the Executive, the Scheme should become effective within 21 days of the date of the Court Meeting and the EGM, i.e. by 6 January 2021, or the Proposal will lapse. Due to the work schedule of Grand Court, the petition hearing to sanction the Scheme and confirm the reduction of the issued share capital of the Company involved in the Scheme is set down to be heard on 6 January 2021 (Cayman Islands time), and the Scheme will not become effective by 6 January 2021. The Offeror and the Company have applied to the Executive for, and the Executive has granted a waiver from strict compliance with Rule 15.7 of the Takeovers Code.
- (6) If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn from 4:00 p.m. on Tuesday, 12 January 2021.
- (7) Cheques for cash payment under the Scheme will be despatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of the Company as at the Scheme Record Date within seven (7) Business Days (as defined under the Takeovers Code) from the Effective Date.

All time and date references are to Hong Kong times and dates, unless otherwise stated.

WARNING

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme is subject to the fulfilment or waiver, as applicable, of all the Conditions, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

Jumbo Planet Group Limited
Lau Man Tak
Sole director

By order of the Board of
TEM Holdings Limited
Ng Ka Wai
Executive Director

Hong Kong, 23 November 2020

As at the date of this joint announcement, the sole director of the Offeror is Mr. Lau Man Tak and the directors of New Universe are Mr. Lau Man Tak and Mr. Kan Wai Kee.

The sole director of the Offeror (i.e. Mr. Lau Man Tak) and the directors of New Universe (i.e. Mr. Lau Man Tak and Mr. Kan Wai Kee) accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group and the Directors) and confirm, having made all reasonable enquiries, that to the best of their respective knowledge, opinions expressed in this joint announcement (other than those expressed by the Company or the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the Group and the Directors and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the Company or the Directors have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 joint 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 joint announcement misleading.

This joint 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.