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Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 29 April 2016 (the “Prospectus”) issued by TEM Holdings Limited (the “Company”).

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares or other securities of the Company. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

TEM Holdings Limited
創新電子控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

Number of Placing Shares : 150,000,000 Shares
**Placing Price : Not more than HK\$0.55 per Placing Share
and not less than HK\$0.45 per Placing Share,
plus brokerage of 1%, Stock Exchange
trading fee of 0.005% and SFC transaction
levy of 0.0027%**
Nominal value : HK\$0.01 per Share
Stock code : 8346

Sole Sponsor



RHB Capital Hong Kong Limited

Sole Lead Manager



RHB Securities Hong Kong Limited

Joint Bookrunners



RHB Securities Hong Kong Limited

Opus | Capital Limited
創富融資有限公司

平安證券有限公司
Ping An Securities Limited

* For identification purpose only

Printed copies of the Prospectus required by the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance are available, for information purposes only, at the office of RHB Capital Hong Kong Limited at 12/F, World-Wide House, 19 Des Voeux Road, Central, Hong Kong during normal office hours from 9:00 a.m. to 5:00 p.m. (Hong Kong time) during the business days from Friday, 29 April 2016 to Thursday, 17 May 2016 (both dates inclusive).

Pursuant to the Underwriting Agreement, the Company is offering 150,000,000 Placing Shares for subscription by way of the Placing at the Placing Price, representing 25% in aggregate of our Company's enlarged share capital immediately after completion of the Placing and the Capitalisation Issue (taking no account of any option which may be granted under the Share Option Scheme), on and subject to the terms and conditions set out in the Prospectus and the Underwriting Agreement. It is expected that the Underwriter(s), on behalf of the Company, will conditionally place 150,000,000 Placing Shares at the Placing Price to selected professional, institutional and other investors in Hong Kong.

Application for the Placing Shares will only be considered on the basis of the terms and conditions as stated in the Prospectus and the Underwriting Agreement.

The Placing is fully underwritten by the Underwriters, subject to the terms and conditions of the Underwriting Agreement. The Placing is conditional upon the fulfilment of the conditions as set forth in the section headed "Structure and Conditions of the Placing — Conditions of the Placing" in the Prospectus. In the event that conditions of the Placing as mentioned therein are not fulfilled (or, (where applicable), waived) prior to the time and date specified in the Prospectus, the Placing will lapse and the subscription money received will be refunded to the placees of the Placing or the Underwriter(s) without interest and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at ir.tem-group.com on the next Business Day following the date of such lapse.

Prospective investors of the Placing Shares should note that the Sole Sponsor and/or the Sole Lead Manager (for itself and on behalf of the Underwriter(s)) is/are entitled to terminate their obligations under the Underwriting Agreement by giving notice in writing to the Company upon the occurrence of any of the events set forth in the section headed "Underwriting — Underwriting Arrangement and Expenses — Grounds for termination" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is currently expected to be Wednesday, 18 May 2016.

Application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Placing, the Capitalisation Issue and any option which may be granted under the Share Option Scheme as described in the Prospectus. Subject to the granting by the Stock Exchange of the listing of, and permission to deal in, the Shares on GEM, as well as compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or under contingent situation, on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS

on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

The Placing Price will not be more than HK\$0.55 and is expected to be not less than HK\$0.45 per Placing Share pursuant to the Underwriting Agreement. The Placing Price is expected to be fixed by the Price Determination Agreement between the Company and the Sole Lead Manager (for itself and on behalf of the Underwriter(s)) on or about the Price Determination Date. The Price Determination Date is expected to be on or about Wednesday, 4 May 2016 (Hong Kong time) (or such other date as may be agreed between the Company and the Sole Lead Manager (for itself and on behalf of the Underwriter(s))). If the Company and the Sole Lead Manager (for itself and on behalf of the Underwriter(s)) are unable to reach an agreement on the Placing Price on the Price Determination Date or such other time/date as may be agreed between the Company and the Sole Lead Manager (for itself and on behalf of the Underwriter(s)), the Placing will not become unconditional and will lapse.

Share certificates for the Placing Shares will only become valid documents of title at 8:00 a.m. (Hong Kong time) on the Listing Date provided that (a) the Placing has become unconditional in all respects; and (b) the Underwriting Agreement has not been terminated in accordance with its terms at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. No temporary documents or evidence of title will be issued by the Company. No receipt will be issued for the subscription monies for the Placing Shares. If the Placing does not become unconditional or if the Underwriting Agreement is terminated in accordance with its terms, the Company will make an announcement as soon as practicable on the Stock Exchange's website at www.hkexnews.hk and the Company's website at ir.tem-group.com.

The level of indication of interest in the Placing, the final Placing Price and the basis of allocation of the Placing Shares will be announced on the Stock Exchange's website at www.hkexnews.hk and the Company's website at ir.tem-group.com on or before Tuesday, 17 May 2016.

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Wednesday, 18 May 2016. Shares will be traded in board lots of 10,000 Shares each. The GEM stock code for the Shares is 8346.

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

Hong Kong, 29 April 2016

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. Koay Lee Chern; and the independent non-executive Directors are Mr. Lum Chor Wah Richard, Mr. Ma Yiu Ho Peter and Mr. Lee Hon Man Eric.

This 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement and a copy of the Prospectus will remain on the Stock Exchange's website at www.hkexnews.hk and in the case of this announcement, on the "Latest Company Announcements" page for at least seven days from the dates of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at ir.tem-group.com.