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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)

PROFIT WARNING

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

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review by the Board of the unaudited consolidated management accounts of the Group for the nine months ended 31 March 2017 (“**2017Q3**”), the Group is expected to record a significant decline in net profit as compared to the net profit of approximately HK\$9.3 million, of which has excluded the impact of one-off listing expenses of approximately HK\$12.1 million, for the nine months ended 31 March 2016 (“**2016Q3**”).

The Board considers that the significant decline in the net profit of the Group for 2017Q3 as compared to 2016Q3 was mainly attributable to (i) a decrease in revenue and gross profit of the Group’s business, which was the consequences of the continuous realignment of product mix of a major customer since 2016; and (ii) an increase in certain administrative expenses following the listing of the Company since May 2016.

As at the date of this announcement, the Company is still in the course of finalising its unaudited consolidated results of the Group for 2017Q3, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the information currently available to the Company. And such information has neither been confirmed nor audited by the auditors of the Company and may be subject to change. Shareholders and potential investors of the Company shall refer to the unaudited consolidated results of the Group for 2017Q3 to be published in due course.

* *For identification purpose only*

The Board wishes to remind Shareholders and potential investors that the above information are based on the unaudited consolidated management accounts of the Group which have not been reviewed nor audited by the auditors of the Company.

Shareholders and potential investors of the Company are cautioned not to unduly rely on such information and 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, 20 April 2017

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 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 <http://www.hkgem.com> for at least 7 days from the date of its publication and on the website of the Company at <http://ir.tem-group.com>.