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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 year ended 30 June 2017 (“**FY2017**”), the Group is expected to record a loss. For the year ended 30 June 2016 (“**FY2016**”), the Company also recorded a loss in the amount of HK\$9.7 million, which has included a one-off listing expenses of approximately HK\$15.8 million.

The Board considers that the loss was mainly attributable to (i) a decrease in the revenue and gross profit of the Group’s business, which was mainly due to 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 annual results of the Group for FY2017, 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 of the Company and potential investors are advised to refer to the annual results of the Group for FY2017 to be published in due course.

* *For identification purpose only*

Shareholders and potential investors 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, 4 September 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>.