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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in TEM Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker, registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



**TEM Holdings Limited**

**創新電子控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8346)**

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;  
RE-ELECTION OF RETIRING DIRECTORS;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in the lower portion of this cover page as well as the inside cover page and contents page of this circular shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the AGM to be held at 7/F, Nexus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 8 November 2019 at 11:30 a.m. is set out on pages 20 to 24 of this circular. A form of proxy for use by the shareholders at the AGM is enclosed with this circular.

Whether or not you are able to attend the AGM, you are advised to read this circular and to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the form of the proxy shall be deemed to be revoked.

*This circular, together with a form of proxy, will remain on GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the Company’s website at <http://ir.tem-group.com>.*

\* for identification purpose only

## CHARACTERISTICS OF GEM

*GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.*

*Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.*

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*This circular is prepared in both English and Chinese. In the event of any inconsistency, the English text of this circular will prevail.*

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at 7/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 8 November 2019 at 11:30 a.m. and the notice of which is set out on pages 20 to 24 of this circular
“Articles”	the amended and restated articles of association of the Company, adopted on 20 April 2016, and as amended or supplemented from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	TEM Holdings Limited (Stock Code: 8346), an exempted company incorporated in the Cayman Islands with limited liability on 22 October 2015, the issued Shares of which are listed on GEM
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares with the aggregate number of Shares not exceeding 20% of the number of the issued Shares as at the date of passing of the relevant resolution at the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

## DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jumbo Planet”	Jumbo Planet Group Limited, a company incorporated in British Virgin Islands with limited liability by shares on 10 April 2015 and indirectly wholly-owned by Mr. Lau, a Controlling Shareholder
“Latest Practicable Date”	20 September 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Memorandum”	the amended and restated memorandum of association of our Company, adopted on 20 April 2016, and as amended or supplemented from time to time
“Mr. Lau”	Mr. Lau Man Tak, an executive Director, Chairman and a Controlling Shareholder
“Nomination Committee”	the nomination committee of the Board
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase the Shares for a total number not exceeding 10% of the number of the issued Shares as at the date of the passing of the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a nominal or par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time
“%”	per cent.



**TEM Holdings Limited**

**創新電子控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8346)**

*Executive Directors:*

Mr. Lau Man Tak (*Chairman*)  
Mr. Vincent Ho Pang Cheng  
*(Chief Executive Officer)*  
Mr. Kan Wai Kee  
Ms. Koay Lee Chern

*Independent non-executive Directors:*

Mr. Ma Yiu Ho Peter  
Mr. Lee Hon Man Eric  
Mr. Cheung Wai Kuen

*Registered Office:*

PO Box 1350, Clifton House  
75 Fort Street  
Grand Cayman, KY1-1108  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

Suite 1706, Tower 1  
China Hong Kong City  
33 Canton Road  
Tsim Sha Tsui  
Hong Kong

27 September 2019

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;  
RE-ELECTION OF DIRECTORS; AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the following resolutions to be proposed at the AGM relating to:

- (a) the granting of the General Mandate to the Directors;
- (b) the granting of the Repurchase Mandate to the Directors;

\* for identification purpose only

## **LETTER FROM THE BOARD**

- (c) the granting of the extension mandate to extend the General Mandate by an amount representing the aggregate nominal amount of any Shares purchased or repurchased under the Repurchase Mandate; and
- (d) the re-election of the retiring Directors.

A notice convening the AGM setting out the details of the ordinary resolutions to be proposed at the AGM is set out on pages 20 to 24 of this circular.

### **GENERAL MANDATE**

The Directors have been granted a general and unconditional mandate to allot, issue and deal with Shares pursuant to the ordinary resolution of the Shareholders passed on 7 November 2018. The general mandate would expire: (a) at the conclusion of the next annual general meeting of the Company; (b) at the expiration of the period within which the Company is required by any applicable laws or the Articles to hold its next annual general meeting; or (c) when varied, revoked or renewed by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

As at the Latest Practicable Date, the existing general mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted the General Mandate to allot, issue and deal with new Shares with the aggregate number of Shares not exceeding 20% of the number of issued Shares on the date of passing the relevant resolution.

### **REPURCHASE MANDATE**

The Directors have been granted a general unconditional mandate to exercise the power of the Company to repurchase Shares pursuant to the ordinary resolution of the Shareholders passed on 7 November 2018. The repurchase mandate would expire: (a) at the conclusion of the next annual general meeting of the Company; (b) at the expiration of the period within which the Company is required by any applicable laws or the Articles to hold its next annual general meeting; or (c) when varied, revoked or renewed by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

As at the Latest Practicable Date, the existing repurchase mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted the Repurchase Mandate to exercise the powers of the Company to purchase or repurchase Shares for a number not exceeding 10% of the number of the issued Shares on the date of passing the relevant resolution. An explanatory statement giving the particulars required under Rule 13.08 of the GEM Listing Rules in respect of the Repurchase Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution is set out in Appendix I to this circular.

## **LETTER FROM THE BOARD**

The Company had in issue an aggregate of 600,000,000 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolutions for the approval of the General Mandate and the Repurchase Mandate and in accordance with the terms therein, the Company would be allowed to allot, issue and deal with a maximum of 120,000,000 new Shares and to repurchase a maximum of 60,000,000 Shares respectively, on the basis that no further Shares will be issued or repurchased by the Company between the Latest Practicable Date to the date of the AGM.

### **EXTENSION OF GENERAL MANDATE**

In addition, subject to the passing of the resolutions to grant the General Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to authorise the Directors to extend the General Mandate to allot and issue Shares by the number of Shares purchased or repurchased by the Company pursuant to the authority granted to the Directors under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Repurchase Mandate.

### **RE-ELECTION OF DIRECTORS**

As at the Latest Practicable Date, the Board comprised Mr. Lau, Mr. Vincent Ho Pang Cheng, Mr. Kan Wai Kee and Ms. Koay Lee Chern as the executive Directors; and Mr. Ma Yiu Ho Peter, Mr. Lee Hon Man Eric and Mr. Cheung Wai Kuen as the independent non-executive Directors.

Pursuant to article 108(a) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office. In accordance with the Articles, Mr. Lau and Mr. Kan Wai Kee (“Mr. Kan”) will retire at the AGM and, being eligible, offer themselves for re-election at the AGM.

Pursuant to article 112 of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director appointed under the Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.



## LETTER FROM THE BOARD

Mr. Cheung Wai Kuen (“Mr. Cheung”) was appointed by the Board as an independent non-executive Director on 19 September 2019 to fill a causal vacancy on the Board. In accordance with article 112 of the Articles, Mr. Cheung shall hold office until the forthcoming annual general meeting and, being eligible, offer himself for re-election at the AGM.

Particulars of Mr. Lau, Mr. Kan and Mr. Cheung are set out in Appendix II to this circular.

### **Procedure and Process for Nomination of Directors**

The Nomination Committee will recommend to the Board for the appointment of a Director including an independent non-executive Director in accordance with the following selection criteria and nomination procedures:

#### *Selection Criteria*

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- (a) Diversity in the aspects, amongst others, of gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
- (b) The number of directorships in other listed/public companies;
- (c) Commitment for responsibilities of the Board in respect of available time and relevant interest;
- (d) Qualifications, including accomplishment and experience in the relevant industries in which the Group’s business is involved;
- (e) Experience in the Group’s principal business and/or the industry in which the Group operates;
- (f) Independence;
- (g) Reputation for integrity; and
- (h) Potential contributions that the individual can bring to the Board.

#### *Nomination Procedures*

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- i. The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management, external recruitment agents and may seek independent professional advice to access a wider range of potential candidates.

## LETTER FROM THE BOARD

- ii. The secretary of the Nomination Committee shall invite nomination of candidates from Board members (if any) for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board.
- iii. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment.
- iv. The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate.
- v. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration.
- vi. All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the relevant regulatory authorities, if required.
- vii. For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- viii. The Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

### **Recommendation of the Nomination Committee**

The Nomination Committee had assessed and reviewed each of the independent non-executive Directors' written confirmation of independence based on the independence criteria as set out in Rule 5.09 of the GEM Listing Rules and confirmed that all of them, including Mr. Cheung remain independent. In addition, the Nomination Committee had evaluated the performance of each of the retiring Directors and considered their performance satisfactory. The Nomination committee is also of the view that based on Mr. Cheung perspectives, skills and experience, he can bring further contributions to the Board and its diversity. Therefore, the Board, upon the recommendation of the Nomination Committee, has proposed all the retiring Directors to stand for re-election as Directors at the AGM.

The biographical details (including the number of the other public companies' directorship) of each of the retiring Directors to be re-elected at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements under the GEM Listing Rules.

## **LETTER FROM THE BOARD**

Further information about the Board's composition and diversity as well as the attendance record at the meetings of the Board and/or its committees and the general meeting(s) of the Directors (including the retiring Directors) is disclosed in the "Biographical details of Directors and Senior Management" and "Corporate Governance Report" in the annual report of the Company.

### **AGM AND PROXY ARRANGEMENT**

The notice convening the AGM to be held at 7/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 8 November 2019 at 11:30 a.m. is set out on pages 20 to 24 of this circular. Ordinary resolutions will be proposed at the AGM for the purpose of considering and if thought fit, approving, inter alia, the resolutions proposed in this circular.

A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjourned meeting thereof) should you so wish and in such event, the form of the proxy shall be deemed to be revoked.

### **VOTING BY POLL**

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results will be made by the Company after the AGM, in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

### **RESPONSIBILITY STATEMENT**

This circular, 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 circular 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 circular misleading.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors believe that the General Mandate, the Repurchase Mandate, the extension of the General Mandate and the re-election of retiring Directors are in the interests of the Company as well as the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### GENERAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,  
By order of the Board  
**TEM Holdings Limited**  
**Lau Man Tak**  
*Chairman and Executive Director*

*This appendix serves as an explanatory statement, as required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, a total of 600,000,000 Shares were in issue. As at the Latest Practicable Date, the Company did not have any outstanding options, warrants and convertible securities to subscribe for the Shares.

Assuming that no further Shares are issued or repurchased during the period from the Latest Practicable Date until the date of the AGM, exercise in full of the Repurchase Mandate, on the basis of 600,000,000 Shares in issue as at the Latest Practicable Date, could result in up to a maximum of 60,000,000 Shares being repurchased by the Company.

## **2. REASONS FOR REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or the earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The number of Shares to be repurchased on any occasion and the price and other terms on which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

## **3. SOURCE OF FUNDS**

The Company is empowered by the Articles to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Cayman Companies Law, the GEM Listing Rules and/or other applicable laws, rules and regulations, as the case may be.

Any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or, if authorized by the Articles and subject to the Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The premium, if any, payable on repurchase must be provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are repurchased or, if authorized by the Articles and subject to Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The Shares so repurchased will be treated as cancelled but the aggregate amount of authorized share capital will not be reduced.

The Company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or settlement otherwise than in accordance with the trading rules of the Stock Exchange.

#### **4. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The GEM Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

#### **5. IMPACT ON WORKING CAPITAL OR GEARING POSITION**

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 30 June 2019, being the date of its latest published audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

#### **6. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles and all applicable laws of the Cayman Islands.

#### **7. DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules) has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell any of their Shares to the Company or its subsidiaries pursuant to the Repurchase Mandate.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any of his/her/its Shares to the Company or has undertaken not to sell any of the Shares held by him/her/it to the Company, in the event that the Company is authorized to make repurchases of the Shares.

#### **8. CONSEQUENCES UNDER THE TAKEOVERS CODE**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purpose of rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge of the Directors, Jumbo Planet held 450,000,000 Shares representing 75% of the issued share capital of the Company. Jumbo Planet is a direct wholly-owned subsidiary of New Universe Industries Limited (“**New Universe**”). New Universe is a direct wholly-owned subsidiary of Perfect Asset Investments Limited (“**Perfect Asset**”), which in turn is wholly-owned by Mr. Lau. By virtue of the SFO, each of New Universe, Perfect Asset and Mr. Lau is deemed, or taken to be, interested in the Shares held by Jumbo Planet in the Company. Ms. Lim Youngsook (“**Ms. Lim**”) is the spouse of Mr. Lau. Under the SFO, Ms. Lim is deemed, or taken to be, interested in the same number of the Shares in which Mr. Lau is interested. In the event that the Directors will exercise in full the Repurchase Mandate, the interests in the Company of each of Mr. Lau, Ms. Lim, Jumbo Planet, New Universe and Perfect Asset would be increased to approximately 83.33% of the total number of the issued Shares and such increase will not give rise to any obligation to make a mandatory offer under rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequence which may arise under the Takeovers Code as a consequence of any repurchase of Shares under the Repurchase Mandate.

Assuming that there is no issue of Shares in the Company after the Latest Practicable Date up to the date of a repurchase, an exercise of the Repurchase Mandate in whole or in part will result in the aggregate amount of the issued share capital of the Company in the public hands falling below the prescribed minimum percentage of 25% as required by the Stock Exchange. The Directors confirm that the Repurchase Mandate will not be exercised to the extent as may result in the amount of the Shares held by the public being reduced to less than 25% of the issued share capital of the Company.

**9. SHARE PRICES**

The highest and lowest traded prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	Price per Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2018</b>		
September	0.190	0.180
October	0.178	0.145
November	0.175	0.135
December	0.166	0.140
<b>2019</b>		
January	0.165	0.142
February	0.177	0.147
March	0.190	0.138
April	0.165	0.135
May	0.155	0.125
June	0.154	0.125
July	0.149	0.089
August	0.120	0.075
September (up to the Latest Practicable Date)	0.080	0.080

**10. SHARE REPURCHASES MADE BY THE COMPANY**

No repurchase of Shares had been made by the Company in the six months preceding the Latest Practicable Date (whether on GEM or otherwise).



*The following are the particulars of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM.*

#### EXECUTIVE DIRECTORS

**Mr. Lau Man Tak**, aged 50, is an executive Director and the chairman of the Company. Mr. Lau also holds directorships in all the subsidiaries of the Company. He is also a member of each of the Remuneration Committee and the Nomination Committee. His role and responsibility in the Group is corporate development and strategic planning.

Mr. Lau graduated from the Hong Kong Polytechnic University with a bachelor's degree of arts in accountancy in November 1991. He has more than 18 years of experience in finance and accounting. He has been an associate member of the Hong Kong Institute of Certified Public Accountants since September 1997, a fellow member of the Association of Chartered Certified Accountants since July 2002, a fellow member of the Hong Kong Institute of Directors since August 2012 and a member and a fellow member of the Hong Kong Securities and Investment Institute since April 2000 and November 2015, respectively.

Mr. Lau is currently the chairman, a non-executive director and a controlling shareholder of REF Holdings Limited (“**REF**”) (stock code: 1631), an independent non-executive director of each of Kingston Financial Group Limited (stock code: 1031) and Synergis Holdings Limited (stock code: 2340), which are companies listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of Chinese Food and Beverage Group Limited (stock code: 8272), a company listed on GEM. Mr. Lau was an independent non-executive director of Sincere Watch (Hong Kong) Limited (stock code: 444) from June 2012 to December 2016, a company listed on the Main Board of the Stock Exchange.

Mr. Lau was a director of the following companies, which were all incorporated in Hong Kong prior to their respective dissolution:

Name of companies	Principal business activity prior to dissolution	Date of commencement of winding up procedure/Date of dissolution	Means of dissolution	Reasons for dissolution
Billion Gateways Limited	Investment	Not applicable/ 1 September 2006	Voluntary deregistration dissolved pursuant to the Companies (Winding Up and Miscellaneous) Ordinance ("Deregistration")	Cessation of business
Blandor International Limited	Investment	31 August 1998/ 15 February 2006	Creditors' voluntary winding up	Cessation of business (Note 1)
Champion Era Limited	Investment	Not applicable/ 21 March 2003	Striking Off dissolved pursuant to the Companies (Winding Up and Miscellaneous) Ordinance ("Striking Off")	Cessation of business
Duke Metal Limited	Commodities trading	Not applicable/ 2 December 2005	Deregistration	Cessation of business
Glad Bright Limited	Investment	Not applicable/ 6 December 2002	Striking Off	Cessation of business
Grandyet Limited	Investment	Not applicable/ 9 August 2002	Striking Off	Cessation of business
Huey Tai Management Services Limited	Investment	Not applicable/ 12 July 2002	Striking Off	Cessation of business
Huey Tai Properties Management Limited	Investment	Not applicable/ 12 July 2002	Striking Off	Cessation of business

Name of companies	Principal business activity prior to dissolution	Date of commencement of winding up procedure/Date of dissolution	Means of dissolution	Reasons for dissolution
Huey Tai Property Development Limited	Investment	Not applicable/ 12 July 2002	Striking Off	Cessation of business
Kingford Investment Company, Limited	Investment	17 July 2002/ 30 August 2007	Compulsory winding up	Cessation of business (Note 2)
M. Paris Hong Kong Limited	Fashion retail	11 June 1998/ 10 January 2006	Creditors' voluntary winding up	Cessation of business (Note 1)
New Delicate Printing Limited	Investment	Not applicable/ 23 March 2007	Striking Off	Cessation of business
Nice & Bright Limited	Property investment	Not applicable/ 8 August 2014	Deregistration	Cessation of business
On Line Education Limited	Investment	29 May 2002/ 29 November 2006	Compulsory winding up	Cessation of business (Note 3)
Renouveau (H.K.) Limited	Fashion retail	19 February 1998/10 January 2006	Creditors' voluntary winding up	Cessation of business (Note 1)
Richmen Investment Limited	Investment	Not applicable/ 10 January 2014	Deregistration	Cessation of business
Sinoboon Limited	Investment	Not applicable/ 11 October 2002	Striking Off	Cessation of business
Talow Investment Limited	Investment	Not applicable/ 22 November 2002	Striking Off	Cessation of business

Name of companies	Principal business activity prior to dissolution	Date of commencement of winding up procedure/Date of dissolution	Means of dissolution	Reasons for dissolution
Topwayson Company Limited	Investment	Not applicable/ 10 January 2003	Striking Off	Cessation of business
Tradekey Investments Limited	Investment	Not applicable/ 21 March 2003	Striking Off	Cessation of business
Uniwin Company Limited	Investment	Not applicable/ 11 October 2002	Striking Off	Cessation of business

*Notes:*

- (1) Keng Fong Sin Kee Construction and Investment Company Limited (“**Keng Fong**”) (presently known as ZH International Holdings Limited) (stock code: 185) was the ultimate holding company of the subject companies and Mr. Lau was the financial controller of Keng Fong and its group companies (“**Keng Fong Group**”). Because of the Asia financial crisis in around 1998, the business of Keng Fong Group was heavily affected and Keng Fong Group did not repay its loans. Therefore, the board of directors of Keng Fong decided to wind up the subject companies by means of creditors’ voluntary winding up.
- (2) Mr. Lau was the financial controller of Keng Fong Group, the holding company of Kingford Investment Company, Limited (“**Kingford**”). Because of the Asia financial crisis in around 1998, the business of Keng Fong Group was heavily affected and Kingford did not pay its rent. Therefore, Kingford’s then landlord sued against Kingford for the recovery of the sum of approximately HK\$0.4 million, being arrears of rent for the period from 1 November 2000 to 30 April 2001.
- (3) Mr. Lau was the financial controller of Keng Fong Group. Keng Fong invested in On Line Education Limited (“**On Line Education**”) and nominated Mr. Lau as a director of On Line Education. However, Mr. Lau had never been involved in the management of the company. Later, On Line Education’s business declined and On Line Education did not pay its employees their wages. Therefore, the employees brought an action against On Line Education in the Labour Tribunal for outstanding wages in arrears in the aggregate sum of approximately HK\$1.3 million.

Mr. Lau confirmed that there is no wrongful act on his part leading to the dissolutions of the above companies and is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolutions, and that his involvement in these companies was part and parcel of his services and that no misconduct or misfeasance had been involved in the dissolution of these companies.

Mr. Lau has entered into a service contract with the Company for an initial term of three years commencing from 18 May 2016, which will continue therefore until terminated in accordance with the terms of the service contract and is subject to retirement by rotation and eligible for re-election pursuant to the Articles. Mr. Lau will be entitled to a remuneration of HK\$970,000 per annum and discretionary bonus, which was determined by the Board on recommendation of the remuneration committee of the Company by reference to his qualification, experience, duties and responsibilities in the Group.

As at the Latest Practicable Date, Mr. Lau was deemed to be interested in 450,000,000 Shares, representing approximately 75% of the issued share capital of the Company, though his controlled corporations, Jumbo Planet, New Universe Industries Limited and Perfect Asset Investments Limited. Save as disclosed above, Mr. Lau does not have, and is not deemed to have, any interests or short positions in the Shares and underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, (i) Mr. Lau held no other directorships in listed public companies in Hong Kong and overseas in the past three years, nor he has any relationships with any other Directors, senior management, substantial shareholders (as defined in the GEM Listing Rules) or controlling shareholders (as defined in the GEM Listing Rules) of the Company; (ii) there is no information which is required to be disclosed under rules 17.50(2)(h) to (v) of the GEM Listing Rules; and (iii) there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

**Mr. KAN Wai Kee**, aged 53, is an executive Director of the Company and a director of BAP Trading Company Limited, 江門創新科電業有限公司 (TEM Electronics (Jiangmen) Co., Ltd. and SEAP (HK) Limited). He joined the Group in November 2010 and is responsible for our Group's overall management, corporate development and strategic planning. Mr. Kan graduated from the City University of Hong Kong with a bachelor's degree in accounting in November 1991.

Mr. Kan has more than 20 years of experience in the manufacturing industry and in auditing and accounting. Prior to joining the Group, Mr. Kan served as the head of financial operation of a Hong Kong listed company, principally engaged in the manufacture of wires and cables, for almost 10 years from 2001 to 2010. Prior to that, Mr. Kan was an auditor with Deloitte Touche Tohmatsu from 1991 to 1993. Subsequently, he was appointed variously as the accounting manager of Wah Hing Group Company Limited from 1993 to 1996 and as the Group Accounting Manager of Pacific Millennium Company Limited from 1996 to 2001.

Mr. Kan has entered into a service contract with the Company for an initial term of three years commencing from 18 May 2016, which will continue therefore until terminated in accordance with the terms of the service contract and is subject to retirement by rotation and eligible for re-election pursuant to the Articles. Mr. Kan will be entitled to a remuneration of HK\$498,000 per annum and discretionary bonus, which was determined by the Board on recommendation of the remuneration committee by reference to his qualification, experience, duties and responsibilities in the Group.

As at the Latest Practicable Date, Mr. Kan does not have, and is not deemed to have, any interests or short positions in the Shares and underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, (i) Mr. Kan held no other directorships in listed public companies in Hong Kong or overseas in the past three years, nor he has any relationships with any other Directors, senior management, substantial shareholders (as defined in the GEM Listing Rules) or controlling shareholders (as defined in the GEM Listing Rules) of the Company; (ii) there is no information which is required to be disclosed under rules 17.50(2)(h) to (v) of the GEM Listing Rules; and (iii) there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Cheung Wai Kuen aged 51, was appointed as an independent non-executive Director on 19 September 2019. He is the chairperson of the Remuneration Committee and members of the Audit Committee and Nomination Committee. Mr. Cheung graduated from The Hong Kong Polytechnic University with a bachelor's degree of arts in accountancy in November 1991 and obtained his MBA from The University of Manchester in June 2012. Mr. Cheung is a member of the Hong Kong Institute of Certified Public Accountants since January 1997 and a fellow member of the Association of Chartered Certified Accountants since April 2000.

Mr. Cheung has more than 25 years of experience in accounting, auditing, financial, general management and direct investment in international accounting firm, private equity, public and private companies, focusing in Hong Kong and emerging markets including People's Republic of China and Brazil. He is currently the director of a consulting and advisory firm.

Mr. Cheung has entered into a letter of appointment with the Company for an initial term of three years commencing from 19 September 2019, which will continue therefore until terminated in accordance with the terms of the letter of appointment and is subject to retirement by rotation and eligible for re-election pursuant to the Articles. Mr. Cheung will be entitled to receive an annual director's fee of HK\$180,000, which was determined by the Board on recommendation of the remuneration committee by reference to his qualification, experience, duties and responsibilities in the Group.

As at the Latest Practicable Date, Mr. Cheung does not have, and is not deemed to have, any interests or short positions in the Shares and underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, (i) Mr. Cheung held no other directorships in listed public companies in Hong Kong or overseas in the past three years, nor he has any relationships with any other Directors, senior management, substantial shareholders (as defined in the GEM Listing Rules) or controlling shareholders (as defined in the GEM Listing Rules) of the Company; (ii) there is no information which is required to be disclosed under rules 17.50(2)(h) to (v) of the GEM Listing Rules; and (iii) there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.



**TEM Holdings Limited**

**創新電子控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8346)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of TEM Holdings Limited (the “**Company**”) will be held at 7/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 8 November 2019 at 11: 30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions:

**ORDINARY RESOLUTIONS**

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and the independent auditor of the Company for the year ended 30 June 2019.
2. (a) To re-elect Mr. Lau Man Tak as an executive Director.  
(b) To re-elect Mr. Kan Wai Kee as an executive Director.  
(c) To re-elect Mr. Cheung Wai Kuen as an independent non-executive Director.
3. To authorise the board of Directors to fix Directors’ remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the board of Directors to fix its remuneration.
5. To consider and, if thought fit, to pass the following resolutions (with or without amendments) as ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with new shares in the capital of the Company and to make or grant offers, agreements, options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such

\* for identification purpose only

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powers, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as amended from time to time) (the “**GEM Listing Rules**”) be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements, options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) below);
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) or issued by the Directors pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); (ii) the exercise of the rights of subscription or conversion under the terms of any warrants which may be issued by the Company or any securities which are convertible into shares; (iii) the exercise of options granted under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees, officers, Directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company; and (iv) any scrip dividend or similar arrangement providing for allotment and issue of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the articles of association of the Company from time to time, shall not exceed 20% of the total number of the issued shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution of the shareholders of the Company in general meeting revoking or varying or renewing the authority given by the Directors by this resolution.



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“**Rights Issue**” means an offer of shares of the Company or offer or issue of warrants or options or other securities giving rights to subscribe for the shares of the Company open for a period fixed by the Directors to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holding of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange, in any territory outside Hong Kong, applicable to the Company).”

6. To consider and, if thought fit, to pass the following resolutions (with or without amendments) as ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase or repurchase shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company on the Stock Exchange or on any other stock exchange on which the shares or securities of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Securities and Futures Commission, the Companies Law of the Cayman Islands, the GEM Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of the shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company which may be purchased or repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of the issued shares of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable laws of the Cayman Islands to be held; and

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(iii) the passing of an ordinary resolution of the shareholders of the Company in general meeting revoking or varying or renewing the authority given by the Directors by this resolution.”

7. To consider and, if thought fit, to pass the following resolution (with or without amendments) as ordinary resolution:

“**THAT** conditional upon resolutions no. 5 and no. 6 above being passed (with or without amendments), the general and unconditional mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with shares of the Company pursuant to the resolution set out in resolution no. 5 above be and is hereby extended by the addition thereto a number of shares representing the aggregate number of shares of the Company purchased or repurchased by the Company pursuant to the authority granted to the Directors under resolution no. 6 above, provided that such amount shall not exceed 10% of the total number of the issued shares of the Company as at the date of the passing of this resolution.”

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

Hong Kong, 27 September 2019

*Notes:*

1. A member of the Company entitled to attend and vote at the annual general meeting shall be entitled to appoint one or if he/she is a holder of two or more shares of the Company, more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company but must be present in person in the annual general meeting to represent the member. Completion and return of the form of proxy will not preclude a member of the Company from attending the annual general meeting and voting in person should he/she so wish. In such event, his/her form of proxy will be deemed to have been revoked.
2. Where there are joint registered holders of any share, any one of such persons may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. A form of proxy for the annual general meeting is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at 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, not later than 48 hours before the time for holding the annual general meeting or any adjournment thereof.
4. To ascertain the members' entitlement to attend and vote at the meeting, the register of members will be closed from Tuesday, 5 November 2019 to Friday, 8 November 2019, both days inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Monday, 4 November 2019.

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5. An explanatory statement containing further details regarding resolution no. 6 above is set out in Appendix I to the circular of the Company dated 27 September 2019 (the “**Circular**”) of which this notice of AGM forms part.
6. Biographical details of the retiring Directors are set out in Appendix II to the Circular.
7. Members of the Company or their proxies shall produce documents of their proof of identity when attending the annual general meeting.
8. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at <http://ir.tem-group.com> and on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

*As at the date of this notice, the Board comprises seven Directors. 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. Ma Yiu Ho Peter, Mr. Lee Hon Man Eric and Mr. Cheung Wai Kuen.*