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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)

**VOLUNTARY ANNOUNCEMENT
FURTHER BUSINESS UPDATE IN RELATION TO
THE INFLUENCE OF NOVEL CORONAVIRUS**

Reference is made to the announcement of the Company dated 2 March 2020, 19 March 2020 and 17 April 2020 (the “**Announcements**”) on the outbreak of novel coronavirus (the “**Coronavirus**”) on business operations. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

The Malaysian Government has made another announcement on 23 April 2020 to further extend the Order for another 14 days from 28 April 2020 to 12 May 2020. Our Malaysia Factory has managed to obtain the conditional approval on 19 April 2020 from the Ministry of International Trade and Industry of Malaysia (the “**Permit**”) to partially resume its operation subject to the following major conditions: (i) reducing 50% headcounts for its operation and production; (ii) restricting the working hours of its operation to no more than 12 hours per day; and (iii) providing personal protective equipment such as nose cover or mask to employees. In addition, taken into consideration of the economic recovery, the Malaysian Government announced on 28 April 2020 to allow companies with the Permit to increase their capacity to operate fully with effect from 29 April 2020. Our Malaysia Factory is qualified to operate in full capacity.

Nevertheless, under such circumstances, the Group expects that the current capacity of our Malaysia Factory is still far behind from its full capacity due to the uncertainty of labor workforce and lower efficiency after implementing the measures required under the Standard Operating Procedure issued by the Malaysian Government such as the on-the-job social distancing and strict observance of personal hygiene and health control guidelines.

* For identification purpose only

The continuance of the Order, that was first imposed on 18 March 2020, is expected to continue to have a disruption on our Malaysia Factory's operations including a drop in production volume in April and May and delay in receipt of raw material and delivery of finished products and in turn an adverse impact on the Group's financial result in the coming months. Notwithstanding the above, the Board reiterates that we will (i) continuously monitor and assess the impact on the Group's operations and financial performance; (ii) closely monitor the Group's exposure to the risks and uncertainties therefrom; (iii) implement appropriate business strategies to mitigate the potential adverse impact on our business operations; and (iv) take appropriate measures and make further announcement as and when appropriate.

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 May 2020

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. Ng Ka Wai; non-executive Director is Ms. Koay Lee Chern; and the independent non-executive Directors are Mr. Ma Yiu Ho Peter and Mr. Lee Hon Man Eric and Mr. Cheung Wai Kuen.

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 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.