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TEM

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 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 of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on its preliminary review on the Group’s unaudited consolidated management accounts for the year ended 30 June 2020 (“**FY2020**”) and information currently available, the Group is expected to record an increase in loss attributable to the Shareholders of approximately 30–35% for FY2020 as compared to the net loss of approximately HK\$10.8 million for the year ended 30 June 2019. The Board considered that the aforesaid loss was mainly attributable to, among others, the following factors:

- (i) a decrease in the Group’s revenue of approximately HK\$7.0 million during the outbreak of the Novel Coronavirus (“**COVID-19**”) when compared to the corresponding period of last year which had caused the suspensions of our PRC Factory and Malaysia Factory and disruptions in our supply chain and operation since February 2020; the details of which are set out in the announcements of the Company dated 2 March 2020, 19 March 2020, 17 April 2020, 4 May 2020 and 26 May 2020;
- (ii) the drop of gross profit margin due to the ongoing price competitions;
- (iii) the increase in administrative expenses incurred in of preventive measures adopted in our PRC Factory and Malaysia Factory during the outbreak of COVID-19 pandemic; and
- (iv) a provision of write-down of inventories.

* For identification purpose only

As at the date of this announcement, the Company is still in the course of finalising its annual results of the Group for FY2020. 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. 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 annual results of the Group for FY2020 to be published in due course.

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, 24 August 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, 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.