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**Tristate Holdings Limited**

(Incorporated in Bermuda with limited liability)

(Stock Code: 458)

# PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the unaudited interim results of the Group for the six months ended 30 June 2014 are expected to record an increase in loss attributable to shareholders as compared with the corresponding period ended 30 June 2013.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Tristate Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO").

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 the information currently available, the unaudited interim results of the Group for the six months ended 30 June 2014 are expected to record an increase in loss attributable to shareholders as compared with the corresponding period ended 30 June 2013 notwithstanding a non-recurring profit on disposal of a property in Taiwan. The increase in loss is mainly attributable to (i) increase in selling expenses of our branded product business as majority of the 2014 planned advertising and promotion costs for our proprietary brand HASKI were spent in the first half year; (ii) reduction in revenue and contribution from our two licensed brands as the China retail market remained challenging during the first six months; and (iii) increased loss for our garment manufacturing business as our Myanmar factory is still at the investment stage operation.

As discussed in the 2013 annual report, the Group's business has been increasingly skewed towards the second half year mainly due to the seasonality effect of fall and holiday seasons shipment and wholesale sales. The Group expects a larger proportion of sales and earnings will be recorded in the second half year of 2014.

As the Group is still in the process of finalising its unaudited interim results for the six months ended 30 June 2014, the information contained in this announcement is only based on a preliminary assessment by the management of the Company of the information currently available, and such information has not been audited or reviewed by the Company's auditor. Shareholders and potential investors are advised to refer to the details in the interim results announcement of the Company for the six months ended 30 June 2014 which is expected to be released around the end of August 2014.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

On behalf of the Board
**WANG Kin Chung, Peter**
*Chairman and Chief Executive Officer*

Hong Kong, 4 August 2014

*As at the date of this announcement, the Board comprises one Executive Director, Mr. WANG Kin Chung, Peter; three Non-Executive Directors, namely Ms. WANG KOO Yik Chun, Ms. MAK WANG Wing Yee, Winnie and Dr. WANG Shui Chung, Patrick; and three Independent Non-Executive Directors, namely Mr. LO Kai Yiu, Anthony, Mr. James Christopher KRALIK and Mr. Peter TAN.*