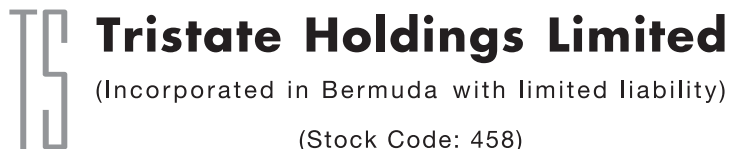


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CONTINUING CONNECTED TRANSACTION SUPPLEMENTAL TENANCY AGREEMENT

As the Group no longer requires the use of all the Premises under the New Tenancy Agreement (which is a continuing connected transaction of the Company), Gold Flower has entered into the New Supplemental Tenancy Agreement to reduce the area leased thereunder.

As the applicable percentage ratios represented by the Revised Annual Caps in respect of the New Tenancy Agreement (as supplemented by the New Supplemental Tenancy Agreement) are more than 0.1% but less than 5%, the entering into of the New Supplemental Tenancy Agreement is only subject to the announcement, annual reporting and annual review requirements under Rules 14A.35, 14A.49 and 14A.55 to 14A.59 of the Listing Rules and is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

Reference is made to the announcement of Tristate Holdings Limited (the "Company") dated 13 February 2017 (the "Announcement") in relation to the New Tenancy Agreement dated 13 February 2017 entered into between Gold Flower and TDB in respect of the leasing of the Premises. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as provided in the Announcement, and this announcement should be read in conjunction with the Announcement.

With the Group being able to better utilise the premises, the Board announces that on 26 March 2018, Gold Flower (being a wholly owned subsidiary of the Company and the tenant under the New Tenancy Agreement) entered into the supplemental tenancy agreement (the "New Supplemental Tenancy Agreement") to the New Tenancy Agreement with TDB to surrender the 2nd Floor and take over the 8th Floor of the Building so as to reduce the area rented and the monthly rent payable from HK\$570,000 to HK\$550,000 (excluding management fees, government rates and government rent) with effect from 15 March 2018 with all other terms and conditions of the New Tenancy Agreement remaining unchanged. The premises under the New Tenancy Agreement (as supplemented by the New Supplemental Tenancy Agreement) will continue to be occupied by the Group for factory, storage and ancillary office uses.

The terms of the New Supplemental Tenancy Agreement were arrived at after arm's length negotiations between Gold Flower and TDB and on the basis of the valuation made by an independent property valuer by reference to comparable rental transactions and offerings available in the relevant market with similar age, size, use and attributes.

As the monthly rent payable will be reduced from HK\$570,000 to HK\$550,000 with effect from 15 March 2018, the annual caps for the remaining term will be reduced accordingly. The revised annual caps (the "Revised Annual Caps") for each of the two financial years ending 31 December 2019 are as follows:

Period	Revised Annual Cap <i>(HK\$)</i>
1 January 2018 to 31 December 2018	6,649,032
1 January 2019 to 31 March 2019	1,650,000

The Board (including the independent non-executive Directors) was of the view that the entering into of the New Supplemental Tenancy Agreement is in the ordinary and usual course of business of the Group, is on normal commercial terms and such terms are fair and reasonable and is in the interests of the Company and its shareholders as a whole as it enables the Group to better utilize the relevant premises and save rental costs.

As the applicable percentage ratios represented by the Revised Annual Caps in respect of the New Tenancy Agreement (as supplemented by the New Supplemental Tenancy Agreement) are more than 0.1% but less than 5%, the entering into of the New Supplemental Tenancy Agreement is only subject to the announcement, annual reporting and annual review requirements under Rules 14A.35, 14A.49 and 14A.55 to 14A.59 of the Listing Rules and is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

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

Hong Kong, 26 March 2018

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.