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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 Group is expected to record a loss attributable to equity shareholders for the year ended 31 December 2020 of approximately HK$165 million to HK$180 million, as compared with the loss of HK$39 million for the year ended 31 December 2019.

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").

As mentioned in the Group's 2019 annual results announcement issued on 31 March 2020 and its 2020 interim results announcement issued on 31August 2020, the outbreak of COVID-19 pandemic ("COVID-19") has affected the Group's business and would have negative impact on the Group's 2020 full year financial performance. 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 Group is expected to record a loss attributable to equity shareholders for the year ended 31 December 2020 of approximately HK$165 million to HK$180 million, as compared with the loss of HK$39 million for the year ended 31 December 2019. The expected substantial loss is mainly attributable to the followings:

a) Decline in revenue and segment results for our garment manufacturing business due to reduction of orders by our customers in major countries following the lockdown of their business operations caused by COVID-19; and

b) Segment loss incurred for our brands business due to COVID-19 related store closures and battered consumer sentiment which have impacted our licensed brands in China, especially in the early redevelopment and development stages for the Nautica and Spyder businesses, respectively, and impairment of property, plant and equipment.

Whilst the major economies suffer significant negative impact from COVID-19 which led to demand shrinkage from our garment manufacturing business, our flexible and adaptive supply chain enable us to work closely with our premium brands customers to respond to the recovering market needs. We believe our garment manufacturing business and C.P. Company brands business have sound and solid foundation to overcome the challenge. We also see retail sales of our licensed brands in China started to gradually pick up in the fourth quarter of 2020. With the net cash position (cash and bank balances less bank borrowings) of over HK$290 million as of 31 December 2020 and available bank credit facilities, we are confident that we are able to weather through the pandemic crisis.

As the Group is still in the process of finalising its annual results for the year ended 31 December 2020, the information contained in this announcement is only based on a preliminary assessment by the management of the Company's 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 annual results announcement of the Company for the year ended 31 December 2020, which is expected to be released around the end of March 2021.

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, 5 March 2021

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.