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PROFIT ALERT – DECREASE IN LOSS

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 six months ended 30 June 2021 of approximately HK\$30 million to HK\$50 million, as compared with the loss of HK\$136 million for the corresponding period ended 30 June 2020.

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 Group is expected to record a loss attributable to equity shareholders for the six months ended 30 June 2021 of approximately HK\$30 million to HK\$50 million, as compared with the loss of HK\$136 million for the corresponding period ended 30 June 2020. The substantial decrease in expected loss is mainly attributable to the followings:

- a) Improved performance and reduction of losses for our brands business. Among our brands:
 - (i) Our own brand C.P. Company continued to record revenue growth and the brand had shipped more Fall/Winter wholesale orders in the first half of 2021 than homologous season of the last year. The brand is expected to report net profit in this first half year, comparing to a loss in the same period last year; and
 - (ii) Our licensed brand Nautica has achieved better operating performance in the first half of 2021 as compared with the same period last year.

- b) Our garment manufacturing business is expected to return to half-year profit in 2021, which is mainly due to less inventory provision made during the period, better material utilisation and lower administrative expenses arising from various cost reduction measures implemented by the Group since last year in responding to the pandemic.

As the Group is still in the process of finalising its unaudited interim results for the six months ended 30 June 2021, 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 interim results announcement of the Company for the six months ended 30 June 2021, which is expected to be released in late August 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, 4 August 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.