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Tristate Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 458)

DISCLOSEABLE TRANSACTION
CONSTRUCTION CONTRACT

CONSTRUCTION CONTRACT

The Board is pleased to announce that on 2 April 2025, Hefei Tristate, an indirect wholly-owned subsidiary of the Company, entered into the Construction Contract with the Contractor, pursuant to which the Contractor shall provide services in relation to the construction of the Logistics Facility on the Land at the Contract Sum of RMB45,139,583.50 (equivalent to approximately HK$48,344,493.93) subject to the terms and conditions of the Construction Contract.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Construction Contract exceed(s) 5% but is/are less than 25%, the entering into of the Construction Contract constitutes a discloseable transaction of the Company and is only subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

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PRINCIPAL TERMS OF THE CONSTRUCTION CONTRACT

Date:	2 April 2025
Parties:	Hefei Tristate as the principal; and 安徽富煌鋼構股份有限公司 (Anhui Fuhuang Steel Structure Co., Ltd.*) as the Contractor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, both the Contractor and its ultimate beneficial owners are Independent Third Parties.
Subject matter:	Under the Construction Contract, the Contractor shall be responsible for the construction on the Land of a 3-storey logistics building for a total gross floor area of 27,789 sq.m. (the "**Logistics Facility**"). The scope of construction works covers mainly earthwork and foundation engineering, concrete structure construction, steel structure fabrication and installation, fabrication and installation of colour steel plates for roofs and walls, masonry works, aluminium alloy doors and windows, and the installation of hydropower systems (which contains the installation of pre-embedded and reserved pipelines). The construction works contemplated under the Construction Contract are expected to be completed within 240 calendar days according to the terms and conditions of the Construction Contract.
Consideration:	The consideration (the "**Contract Sum**") payable by Hefei Tristate to the Contractor under the Construction Contract shall be the lump sum of RMB45,139,583.50 (equivalent to approximately HK$48,344,493.93) subject to adjustments in accordance with the Construction Contract. Such lump sum price covers the construction and related costs including the Contractor's fees, labour costs, equipment costs, material costs, insurance costs, tax and other costs as specified in the Construction Contract. For the avoidance of doubt, adjustments that may be made to the Contract Sum under the Construction Contract are customary adjustments for a construction contract to address, inter alia, additional costs to be incurred by the Contractor due to variation orders or additional responsibilities as required by Hefei Tristate as well as possible fluctuations in purchase prices of certain raw materials. The Board expects that adjustments to the Contract Sum, if any, will not result in any change in the classification of the transactions contemplated under the Construction Contract under Chapter 14 of the Listing Rules.

The Contractor was selected through a tendering process whereby invitations to bid for the construction works of the Logistics Facility were solicited by Hefei Tristate. The tender submitted by the Contractor was considered the most appropriate after an objective evaluation by Hefei Tristate having regard to the expected scope and complexity of the construction works to be executed; the construction cost budget as evaluated by an independent third party engineering consulting firm; the experience, competency, track records, and qualifications of the Contractor; and the bidding price submitted by the Contractor in comparison with those submitted by other tenderers.

The Contract Sum will be funded by the internal resources of the Group.

Payment terms: The Contract Sum shall be paid by Hefei Tristate to the Contractor as follows:

(i) an advance payment representing 20% of the Contract Sum shall be paid after the receipt from the Contractor of a bank guarantee for such advance payment and it is currently expected that the advance payment will be paid within seven (7) days after the signing of the Construction Contract (and such advance payment shall be recouped proportionally against the monthly progress payment(s) in (ii) below);

(ii) progress payment(s) representing 80% of the assessed value of the construction works completed last month (inclusive of the apportioned advance payment in (i) above as part payment) shall be made on a monthly basis;

(iii) payment representing 85% (taking into account the payments in (i) and (ii) above) of the Contract Sum shall be made upon Completion Acceptance, and thereafter the parties will enter into the settlement procedures;

(iv) payment representing 95% (taking into account the payments in (i), (ii) and (iii) above) of the completion settlement sum shall be made upon completion of the settlement procedures. The completion settlement sum is expected not to exceed a sum that is 5% above the Contract Sum; and

(v) 5% of the completion settlement sum will be retained by Hefei Tristate as quality warranty amount which shall be released (without accruing interest) to the Contractor after the expiration of two years from the date of Completion Acceptance subject to satisfactory follow-up inspection of quality.

Performance guarantee:	A performance guarantee fund in the amount equal to 5% of the Contract Sum was paid by the Contractor of which the fund will be fully returned to the Contractor in three instalments (without accruing interest) according to the stages of inspection and acceptance of the completed construction works.

REASONS AND BENEFITS OF THE ENTERING INTO OF THE CONSTRUCTION CONTRACT

Hefei Tristate, a key manufacturing arm of the Group, owns the Land and adjacent parcels of land where its factory building, amenity buildings (featuring leisure facilities, convenience stores and a canteen for employees), employees' dormitories and other warehouse facilities are situated. The construction of the Logistics Facility on the Land is of strategic significance to the Group. Once completed, it will not only create synergies with the existing factory and other facilities in the industrial compound but also play a pivotal role in optimising the Group's operational processes. As a logistics hub in a prime economic zone, the Logistics Facility will function as a core distribution centre for the Group's brands business in PRC, enabling rapid response to market demands. It will significantly enhance the efficiency of product delivery, allowing faster order fulfilment and thus providing better services to our customers.

Moreover, by integrating the storage function, the Logistics Facility will enable the Group to reduce the leasing of external storage spaces, thereby effectively cutting down operational costs. In the long term, the Logistics Facility is expected to transform our whole industrial compound in Hefei into a supply chain core of the Group, comprehensively improving the Group's competitiveness and adaptability in the dynamic market environment.

The Contractor was selected through a tendering process and the terms of the Construction Contract were arrived at after arm's length negotiation with the Contractor. Therefore, the Board considered that the Construction Contract was entered into in the ordinary and usual course of business of the Group and on normal commercial terms and the terms thereof are fair and reasonable and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Construction Contract exceed(s) 5% but is/are less than 25%, the entering into of the Construction Contract constitutes a discloseable transaction of the Company and is only subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE COMPANY, THE GROUP, HEFEI TRISTATE AND THE CONTRACTOR

The principal activity of the Company is investment holding and the principal activities of the Group are (i) garment manufacturing and (ii) brands business. The principal activity of Hefei Tristate is garment manufacturing.

The Contractor is principally engaged in the design, manufacture and installation of structural steel products. In addition, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor is a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 002743) and is an Independent Third Party.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

"Board"	the board of directors of the Company
"Company"	Tristate Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Completion Acceptance"	the completion, formal inspection and acceptance (竣工驗收合格) of the construction works according to the terms of the Construction Contract
"connected person"	has the meaning ascribed to this term under the Listing Rules
"Construction Contract"	the contract dated 2 April 2025 entered into between Hefei Tristate and the Contractor for the services provided at the Contract Sum in relation to the construction works of the Logistics Facility, details of which are under the paragraph headed "Principal Terms of the Construction Contract" in this announcement
"Contract Sum"	has the meaning ascribed to this term under the sub-paragraph headed "Principal Terms of the Construction Contract – Consideration" in this announcement
"Contractor"	安徽富煌鋼構股份有限公司 (Anhui Fuhuang Steel Structure Co., Ltd.*), a company established in PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange, and an Independent Third Party
"Director"	the director of the Company
"Group"	the Company and its subsidiaries

"Hefei Tristate"	合肥聯亞製衣有限公司 (Hefei Tristate Garment Manufacturing Company Limited*), a company established in PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of PRC
"Independent Third Party(ies)"	third party independent of the Company and the connected persons of the Company
"Land"	land located in the Hefei Economic and Technological Development Area, Anhui Province, PRC with a site area of approximately 9,263 sq.m., the land use right of which is owned by Hefei Tristate and on which the Logistics Facility will be constructed
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Logistics Facility"	a 3-storey logistics building to be constructed on the Land as more precisely defined under the sub-paragraph headed "Principal Terms of the Construction Contract – Subject matter" in this announcement
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of PRC
"sq.m."	square metre
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

In this announcement, conversion of RMB into HK$ is based on the exchange rate of RMB1 to HK$1.071. The exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount in RMB or HK$ was or may have been exchanged at this rate or any other rates or at all.

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

Hong Kong, 2 April 2025

At the date of this announcement, the Board comprises one Executive Director, namely 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 four Independent Non-Executive Directors, namely Mr. LO Kai Yiu, Anthony, Mr. James Christopher KRALIK, Mr. Peter TAN and Professor Chen LIN.

** English transliteration of official Chinese name(s) only*