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ANNOUNCEMENT PURSUANT TO RULE 13.09(2)(a) OF THE LISTING RULES

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the Shareholders that, on 29 July 2016, the Group and the Nautica Entities entered into the Transition Agreements under which, among others, the Group will provide full cooperation to the relevant Nautica Entities in enabling a business transition in relation to the expiry of the Nautica Distribution Licence on 31 December 2016, and, in consideration therefor, the Group will receive US\$3 million.

This announcement is made by Tristate Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, a reference to the Group includes one or more members thereof) pursuant to Rule 13.09(2)(a) 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 (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) that, on 29 July 2016, the relevant members of the Group (on the one hand) and Nautica Apparel, Inc. (“**Nautica Apparel**”, an American company featuring the “Nautica” global lifestyle brand including men’s, women’s and children’s apparels and accessories) and certain of its Asian operating fellow subsidiaries (together, the “**Nautica Entities**”) (on the other hand) entered into certain agreements (the “**Transition Agreements**”) under which, among others, the Group will provide full cooperation to the relevant Nautica Entities in enabling a business transition in relation to the expiry of the licence from Nautica Apparel (the “**Nautica Distribution Licence**”) for the distribution of “Nautica” branded products in the People’s Republic of China, Hong Kong and Macau (together, the “**Territories**”) in accordance with its terms on 31 December 2016.

Upon the expiration of the Nautica Distribution Licence on 31 December 2016, the Group will cease the distribution of “Nautica” branded products, and, under the Transition Agreements, in order to enable an orderly transition of the relevant business activities to the Nautica Entities throughout the relevant Territories, the Group and the Nautica Entities have agreed as follows:

- (i) Pursuant to Nautica Apparel’s rights under the Nautica Distribution Licence, the Nautica Entities will acquire the relevant inventory from the Group at prices not greater than the Group’s landed costs.
- (ii) With the Group ceasing to distribute “Nautica” branded products, the Group will cease to supply its franchisees with “Nautica” branded products or operate the relevant retail premises in the Territories. The Group will facilitate meetings and discussions between the Nautica Entities and the relevant franchisees and landlords with a view to facilitating their entering into new distribution agreements and leases (as the case may be). With regard to the said retail premises, the relevant fixtures and fittings at such premises will be sold by the Group to the relevant Nautica Entities in accordance with the terms and conditions of the Transition Agreements.
- (iii) In consideration of the Group’s agreement to provide cooperation in enabling a business transition in relation to the expiry of the licence period, the Nautica Entities will pay US\$3 million to the Group by instalments.
- (iv) Further, the Group will provide, at a service fee based on a certain percentage of the costs of the products and/or a sample fee, the Nautica Entities with services and advice in relation to the sourcing and procurement of the “Nautica” branded products up to 31 December 2017.

Despite the expiry of the Nautica Distribution Licence and cessation of the distribution of the “Nautica” branded products, the Group will continue to operate its multi-branded product distribution business for other brands, which will be complemented by its strong garment manufacturing business.

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

Hong Kong, 29 July 2016

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.