CROCODILE

Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY

THE DISPOSAL

The Board announces that on 11 September 2026, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Property at a consideration of HK$22,800,000. Upon Completion, the Property will be delivered to the Purchaser on an “as-is” basis subject to existing tenancies at the Property.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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The principal terms and conditions of the Provisional Agreement are set out as follows:

Date:	11 September 2026
Parties:	(1) the Vendor, an indirect wholly-owned subsidiary of the Company; and (2) the Purchaser, which is a company incorporated in Hong Kong To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.
Property:	Workshop Nos. 1, 2, 3, 5, 6, 7, 8, 9 & Storeroom on 20th Floor, Lemmi Centre, No. 50 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong
Consideration and payment terms:	The Consideration for the Disposal is HK$22,800,000, which is payable by the Purchaser to the Vendor in the following manner: (a) an initial deposit in the sum of HK$1,100,000 has been paid upon signing the Provisional Agreement; (b) a further deposit in the sum of HK$1,180,000 shall be paid on or before 25 September 2026; and (c) the balance of the Consideration in the sum of HK$20,520,000 shall be paid upon Completion on or before 30 November 2026.
Basis of the Consideration:	The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms having taken into account, among others, (i) prevailing market prices of comparable properties in the vicinity of the Property; and (ii) the strategic decision of the Company to dispose of the eight workshops together with the storeroom on the same floor of the Property as a single transaction rather than selling these workshops and the storeroom individually which would take an extended period of time. The Consideration was not determined based on any valuation of the Property.

Formal agreement:	The formal agreement for sale and purchase of the Property shall be signed on or before 25 September 2026.
Completion:	The Completion shall take place on or before 30 November 2026.
"As is" basis:	The Property is sold to the Purchaser on an "as is" basis.

INFORMATION ON THE PROPERTY

The Property comprises eight workshops and a storeroom on the 20th Floor of Lemmi Centre located in Kwun Tong, Kowloon, Hong Kong. It has a total gross floor area of approximately 6,331 square feet, and is for non-residential purpose.

The Property is currently subject to various tenancies. During the year ended 31 December 2025, the net rental income generated from the Property (taking into account all related disbursement) before and after taxation was approximately HK$1,046,000. During the seventeen months ended 31 December 2024, the net rental income generated from the Property (taking into account all related disbursement) before and after taxation was approximately HK$1,335,000.

FINANCIAL EFFECTS OF THE DISPOSAL AND INTENDED USE OF DISPOSAL PROCEEDS

The carrying value of the Property as at 30 June 2026 included in the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 was approximately HK$33,000,000. Subject to review and confirmation by the auditor, the Group is expected to record a loss of approximately HK$10,590,000 from the Disposal, which is calculated based on the Consideration of HK$22,800,000 to be received by the Group for the Disposal, after deducting the expenses relating to the Disposal, less the carrying value of the Property as of 30 June 2026.

After deducting the expenses relating to the Disposal, it is expected that the net proceeds from the Disposal will amount to approximately HK$22,410,000, which will be applied as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Given recent conditions and the cautious outlook for Hong Kong's property market, particularly in the industrial property segment, the Directors observe that a near-term recovery remains uncertain. In light of these market headwinds, the Company considers that the Disposal presents a good opportunity for the Group to realise part of its non-core assets being the Property soon, in order to improve its overall liquidity and enhance the Group's financial flexibility.

Disposing of the eight workshops and the storeroom comprising the Property as a single transaction generally yields consideration with a discount, compared with the aggregate price that might be achieved if each workshop was marketed and sold individually over time. The Disposal as a packaged sale however offers a more efficient and cost-effective approach for the Group to realise the value of the Property. Despite the estimated accounting loss to be recorded from the Disposal, the Board considers the Disposal to be a timely and prime opportunity for the Group to identify a purchaser willing to acquire the assets as a package. This approach also enables the Group to promptly lock in cash proceeds without incurring prolonged holding costs, administrative burdens, and execution risks associated with marketing and negotiating separate individual sales over an extended timeframe.

Based on the above, the Directors are of the view that the Disposal is in the ordinary and usual course of business of the Group, and the terms of the Provisional Agreement are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The principal activities of the Group include garment and related accessories business in Hong Kong, Macau and Mainland China, property investment and letting business in Hong Kong and Mainland China, and treasury management.

The Vendor is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. It is principally engaged in property investment.

To the best of the Company's knowledge, the Purchaser is a company incorporated in Hong Kong principally engaged in general trading and investment.

DEFINITIONS

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

"Board"	the board of Directors
"Company"	Crocodile Garments Limited (鱷魚恤有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 122)
"Completion"	completion of the Disposal
"connected person(s)"	has the meaning as ascribed to it under the Listing Rules
"Consideration"	the consideration for the Disposal in the amount of HK$22,800,000
"Directors"	the directors of the Company
"Disposal"	the disposal of the Property by the Vendor to the Purchaser pursuant to the Provisional Agreement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Property"	Workshop Nos. 1, 2, 3, 5, 6, 7, 8, 9 & Storeroom on 20th Floor, Lemmi Centre, No. 50 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong
"Provisional Agreement"	the provisional sale and purchase agreement entered into on 11 September 2026 between the Vendor and the Purchaser in relation to the Disposal

"Purchaser"	Infinity Bright Capital Limited, a company incorporated in Hong Kong, the issued share capital of which is entirely owned by Mr. Ong Joo Seng
"Shareholder(s)"	the duly registered holder(s) of the ordinary share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning as ascribed to it under the Listing Rules
"Vendor"	Public Global Investments Limited (大眾環球投資有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
"%"	per cent

By order of the Board
Crocodile Garments Limited
Lam Wai Shan, Vanessa
Chairman, Executive Director
and Chief Executive Officer

Hong Kong, 11 September 2026

As at the date of this announcement, the Board comprises two Executive Directors, namely Ms. Lam Wai Shan, Vanessa (Chairman and Chief Executive Officer) (Mr. Lee Po On as her Alternate Director) and Mr. Tsang Wing Pong; four Non-executive Directors, namely Mr. Chow Bing Chiu, Ms. Lam Suk Ying, Diana, Mr. Lam Howard and Ms. Lam Wai Kei, Vicky; three Independent Non-executive Directors, namely Mr. Leung Shu Yin, William (Deputy Chairman), Mr. Fung Cheuk Nang, Clement and Mr. Woo King Hang.