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Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

ANNOUNCEMENT SECOND SUPPLEMENTAL AGREEMENT TO THE HEADS OF AGREEMENT

This announcement is made by Crocodile Garments Limited (“**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong).

Reference is made to the Company’s announcements dated 29 January 2016 (“**January Announcement**”), 29 February 2016 and 29 March 2016 in relation to the heads of agreement regarding the possible sale of the controlling interests in the Company (collectively, “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the January Announcement.

UPDATE ON THE POSSIBLE TRANSACTION

As disclosed in the Announcements and pursuant to the terms of the HOA, subject to further negotiations among the parties to the HOA on terms and conditions of the Possible Transaction, the Selling Shareholders and the Potential Purchaser agreed to endeavor to enter into a formal agreement in relation to the Possible Transaction within the Exclusivity Period of 45 business days from the date of the HOA (or such later date as the parties to the HOA may agree in writing). The Exclusivity Period will expire on 5 April 2016. The Board has been informed by the Selling Shareholders that on 1 April 2016, the Selling Shareholders and the Potential Purchaser entered into the second supplemental agreement to the HOA (“**Second Supplemental HOA**”) pursuant to which the parties to the HOA agreed to amend the Exclusivity Period to 70 business days from the date of the HOA (i.e. 11 May 2016, or such later date as the parties to the HOA may agree in writing). Save and except for the extension of the Exclusivity Period, other terms of the HOA remain unchanged.

The Board has also been informed by the Selling Shareholders that, as at the date of this announcement, (i) the negotiations between the Selling Shareholders and the Potential Purchaser in respect of the Possible Transaction are still on-going; and (ii) save as the HOA and the Second Supplemental HOA, no formal or legally binding agreement has been entered into between the Selling Shareholders and the Potential Purchaser or any other parties in respect of the Possible Transaction.

Further announcement(s) setting out the progress of the Possible Transaction will be made as and when necessary in accordance with the Listing Rules and the Takeovers Code and on a monthly basis until an announcement of (i) a firm intention to make an offer under Rule 3.5 of the Takeovers Code or (ii) a decision not to proceed with the Possible Transaction is made.

There is no assurance that the Possible Transaction will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of Takeovers Code. The Possible Transaction and the Distribution, therefore, may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By Order of the Board
Crocodile Garments Limited
Ko Ming Kin
Chief Financial Officer and
Company Secretary

Hong Kong, 1 April 2016

As at the date of this announcement, the Board comprises five Executive Directors, namely Dr. Lam Kin Ming (Chairman and Chief Executive Officer), Ms. Lam Wai Shan, Vanessa (Deputy Chief Executive Officer), Dr. Lam Kin Ngok, Peter, Mr. Lam Kin Hong, Matthew and Mr. Wan Edward Yee Hwa; one Non-executive Director, namely Ms. Lam Suk Ying, Diana; and three Independent Non-executive Directors, namely Messrs. Chow Bing Chiu, Leung Shu Yin, William and Yeung Sui Sang.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.