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Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

**ANNOUNCEMENT PURSUANT TO
(1) RULE 3.7 OF THE TAKEOVERS CODE,
(2) RULES 13.09 AND 13.10 OF THE LISTING RULES,
(3) INSIDE INFORMATION PROVISIONS UNDER
PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE
AND
(4) RESUMPTION OF TRADING**

This announcement is made by Crocodile Garments Limited (“**Company**”) pursuant to Rule 3.7 of The Code on Takeovers and Mergers (“**Takeovers Code**”), Rules 13.09 and 13.10 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) 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) (“**SFO**”).

Reference is made to the Company’s announcements dated 13 February 2015 (“**February Announcement**”) and 13 March 2015 in relation to the Possible Transaction. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the February Announcement.

UPDATE ON THE POSSIBLE TRANSACTION

As disclosed in the February Announcement, pursuant to the terms of the MOU, the Selling Shareholder had agreed not to discuss or negotiate any arrangement or enter into any agreement or memorandum in respect of the subject matters of the Possible Transaction with any other party for an Exclusive Period of 60 days from the date of payment of the Deposit by the Potential Purchaser (or such later day as the parties to the MOU may agree in writing). The Exclusive Period will expire on 17 April 2015. The Board has been informed by the Selling Shareholder that on 10 April 2015, the Selling Shareholder, Dr. Lam, the Potential Purchaser and the beneficial owner of the Potential Purchaser entered into a supplemental letter to the MOU (“**Supplemental MOU**”) pursuant to which the Selling Shareholder agreed to extend the Exclusive Period for 30 days up to 17 May 2015. Save and except for the extension of the Exclusive Period, other terms of the MOU remain unchanged.

The Board has been informed by the Selling Shareholder that, as at the date of this announcement, (i) the negotiations between the Selling Shareholder and the Potential Purchaser in respect of the Possible Transaction are still on-going; and (ii) other than the MOU and the Supplemental MOU as mentioned above, no formal or legally binding agreement has been entered into between the Selling Shareholder 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. Shareholders and potential investors 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).

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted the recent increases in the price and the trading volume of the Shares. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that it is not aware of any reasons for such price and/or volume movements or of any information which must be announced to avoid a false market in the Company's securities or, save as disclosed above, of any inside information that needs to be disclosed under Part XIVA of the SFO.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been halted on the Stock Exchange from 1:00 p.m. on 10 April 2015 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 April 2015.

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

Hong Kong, 10 April 2015

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 Yee Hwa, Edward; 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.