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Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

DISCLOSEABLE TRANSACTION

Acquisition of Properties

On 26 September 2014, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor for the acquisition of the Properties at a consideration of HK\$41,000,000.

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board announces that on 26 September 2014, the Purchaser, a wholly-owned subsidiary of the Company, has entered into the Agreement with the Vendor for the acquisition of the Properties at a consideration of HK\$41,000,000.

THE AGREEMENT

Date of Agreement	:	26 September 2014
Purchaser	:	Public Global Investments Limited
Vendor	:	Eastern Frontier Company Limited
Properties	:	Workshops Nos. 1, 2, 3, 5, 6, 7, 8, 9 and Store Room on the 20 th Floor, Lemmi Centre, No. 50 Hoi Yuen Road, Kowloon, Hong Kong
Consideration	:	HK\$41,000,000

- Payment : (i) Initial deposit of HK\$2,000,000 has been paid to the Vendor upon signing of the Agreement.
- (ii) Further deposit of HK\$2,100,000 will be paid to the Vendor on or before 15 October 2014.
- (iii) The remaining balance of HK\$36,900,000 will be paid to the Vendor upon completion of the Agreement on or before 28 November 2014 .
- Completion : On or before 28 November 2014
- Other : The Purchaser has agreed to purchase the Properties subject to the existing tenancies in respect of Workshops Nos. 1, 3, 5, 6, 7, 8, 9 of the Properties at monthly rentals in the sum of HK\$110,348. The terms of the tenancies will end during 30 April 2015 to 30 September 2016.

INFORMATION ABOUT THE PROPERTIES

The Properties with a total gross floor area of about 6,331 sq. ft. are situated in an industrial building built in 1995. The Properties are currently held by the Vendor as investment properties for rental purpose.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As the Group is principally engaged in property investment and manufacture and sale of garments, the Properties will be held as investment properties for rental purpose or for self-occupation to meet the Group's needs.

The terms and conditions of the Agreement were normal commercial terms determined after arm's length negotiations and by reference to the prevailing market value of similar properties in the same district. The Acquisition will be funded by internal resources and a bank loan provided to the Group.

The Directors consider that the Acquisition represents a good investment opportunity and believe that the Group will benefit from the anticipated appreciation in value of the Properties while expanding the Group's portfolio of investment properties in Hong Kong.

The Directors believe that the terms of the Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES REQUIREMENTS

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The principal activities of the Group include the manufacture and sale of garments in Hong Kong, Macau and the PRC as well as property investment in Hong Kong and the PRC.

The Vendor is a company incorporated in Hong Kong with limited liability and its principal activities include property investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the Properties by the Purchaser at a consideration of HK\$41,000,000 pursuant to the terms and conditions of the Agreement
“Agreement”	the provisional agreement for sale and purchase dated 26 September 2014 entered into between the Vendor and the Purchaser for the sale and purchase of the Properties
“Board”	the board of Directors
“Company”	Crocodile Garments Limited, 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)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People's Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan

“Properties”	Workshops Nos. 1, 2, 3, 5, 6, 7, 8, 9 and Store Room on the 20 th Floor, Lemmi Centre, No. 50 Hoi Yuen Road, Kowloon, Hong Kong
“Purchaser”	Public Global Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Eastern Frontier Company Limited, a company incorporated in Hong Kong with limited liability

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

Hong Kong, 26 September 2014

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. Yeung Sui Sang, Chow Bing Chiu and Leung Shu Yin, William.