

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

DISCLOSEABLE TRANSACTION

Acquisition of Property

On 13 November 2012, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor for the acquisition of the property situated at Unit A, 11th Floor, Wing Tai Centre (Front Block), No. 12 Hing Yip Street, Kowloon, Hong Kong at a consideration of HK\$27,000,000.

As one of the Percentage Ratios exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board announces that on 13 November 2012, the Purchaser, a wholly-owned subsidiary of the Company, has entered into the Provisional Agreement with the Vendor for the acquisition of the Property at a consideration of HK\$27,000,000.

THE PROVISIONAL AGREEMENT

The main particulars of the Provisional Agreement are set out below:-

Date : 13 November 2012

Parties

(i) Purchaser : Stargem Limited which may nominate another wholly-owned subsidiary of the Company as the purchaser

(ii) Vendor : Fine Mount Limited

Property : Unit A, 11th Floor, Wing Tai Centre (Front Block), No. 12 Hing Yip Street, Kowloon, Hong Kong

Consideration : HK\$27,000,000

Payment : An initial deposit of HK\$800,000, being approximately 2.96% of the consideration, has been paid to the Vendor upon signing of the Provisional Agreement.

A further deposit of HK\$1,900,000, being approximately 7.04% of the consideration, will be payable to the Vendor upon signing of the formal agreement for sale and purchase of the Property (“**S&P Agreement**”) which is expected to take place on or before 28 November 2012 and the balance of the consideration will be payable on completion of the Acquisition.

Completion : On or before 30 April 2013

Others : (a) The Purchaser has agreed to purchase the Property subject to the existing tenancy of the Property (“**Tenancy**”) with the tenant (“**Tenant**”);

(b) the Tenant has tentatively agreed to lease the Property for a further term of two years from 1 January 2013 to 31 December 2014 (both days inclusive) (“**Renewed Tenancy**”) at a monthly rental of HK\$65,000 (inclusive of government rent and rates, and management fees);

(c) the solicitor of the Vendor will pay to the Purchaser on behalf of the Tenant a deposit of HK\$130,000 for the Renewed Tenancy upon completion of the Acquisition; and

(d) if the Tenant does not renew the Tenancy as aforesaid, the Vendor shall deliver to the Purchaser the vacant possession of the Property upon completion of the Acquisition.

INFORMATION OF THE PROPERTY

The building which comprises the Property with a total gross floor area of about 6,900 sq. ft. was completed in 1981. The Property is currently held by the Vendor as an investment property 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 Property will be held as an investment property for rental purpose or for self-occupation to meet the Group’s needs.

The terms and conditions of the Provisional Agreement were normal commercial terms determined after arm’s length negotiations between the Purchaser and the Vendor and by reference to recent transactions of the other units of the building of which the Property forms part, and the prevailing market value of similar properties in the same district. The Acquisition will be funded by 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 Property while expanding the Group's portfolio of investment properties in Hong Kong.

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

LISTING RULES REQUIREMENTS

As one of the applicable Percentage Ratios exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting 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 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 Property by the Purchaser at a consideration of HK\$27,000,000 in accordance with the terms and conditions of the Provisional Agreement;
“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 for the time being 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 as amended, supplemented or otherwise modified from time to time;
“Macau”	the Macau Special Administrative Region of the PRC;
“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan;
“Property”	the property situated at Unit A, 11th Floor, Wing Tai Centre (Front Block), No. 12 Hing Yip Street, Kowloon, Hong Kong with a total gross floor area of about 6,900 sq. ft.;
“Provisional Agreement”	the provisional agreement for sale and purchase dated 13 November 2012 and entered into between the Vendor and the Purchaser in relation to the Acquisition;
“Purchaser”	Stargem Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company, which may nominate another wholly-owned subsidiary of the Company as the purchaser;
“Shareholders”	the holders of Shares;
“Shares”	the ordinary shares of a par value of HK\$0.25 each in the capital of the Company;
“sq. ft.”	square feet;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Fine Mount Limited, a company incorporated in Hong Kong; and
“%”	per cent.

By Order of the Board
Crocodile Garments Limited
Kwok Siu Man
Company Secretary

Hong Kong, 15 November 2012

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.