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Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

DISCLOSEABLE TRANSACTION

Acquisition of Property

On 9 March 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 12th Floor, Wing Tai Centre (Front Block), No. 12 Hing Yip Street, Kowloon, Hong Kong at a consideration of HK\$43,500,000.

As at least 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 is pleased to announce that on 9 March 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\$43,500,000.

THE PROVISIONAL AGREEMENT

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

Date : 9 March 2012

Parties

(i) Purchaser : Public Global Investments Limited or a company (which will be another wholly-owned subsidiary of the Company) nominated by it

(ii) Vendor : China Harbour Enterprises Limited

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

Consideration : HK\$43,500,000

- Payment : An initial deposit of HK\$2,060,205, being approximately 4.74% of the consideration, has been paid to the Vendor upon signing of the Provisional Agreement.
- A further deposit of HK\$2,289,795, being approximately 5.26% of the consideration, will be payable to the Vendor upon signing of the formal agreement for sale and purchase of the Property (the “**S&P Agreement**”) which is expected to take place on or before 30 March 2012 and the balance of the consideration will be payable on completion.
- Completion : On or before 8 May 2012.
- Others : Upon signing of the S&P Agreement, the Vendor as licensee and the Purchaser as licensor shall enter into a licence agreement in respect of the Property for the period from 8 May 2012 to 7 November 2012 (both days inclusive) at a monthly license fee of HK\$1 provided that the Vendor shall pay all management fees, rates, government rent, water charges, electricity charges and all outgoings of every kind whatsoever in respect of the Property during the said period.

INFORMATION OF THE PROPERTY

The building which comprises the Property with a total gross floor area of about 16,818 sq. ft. was completed in 1981. The Property is currently used by the Vendor for production and administrative purposes.

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 cope with the expected expansion in garment business.

The terms and conditions of the Provisional Agreement were determined on normal commercial terms after arm’s length negotiations between the Purchaser and the Vendor and by reference to the 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 facility provided to the Group.

The Directors consider that the Acquisition is a good investment opportunity and believe that the Group will benefit from the anticipated growth 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 at least 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 the publication of magazines and interior decoration.

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\$43,500,000 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;
“Directors”	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 12th Floor, Wing Tai Centre (Front Block), No. 12 Hing Yip Street, Kowloon, Hong Kong with a total gross floor area of about 16,818 sq. ft.;
“Provisional Agreement”	the provisional agreement for sale and purchase dated 9 March 2012 and entered into between the Vendor and the Purchaser in relation to the Acquisition;
“Purchaser”	Public Global Investments Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company, or a company (which will be another wholly-owned subsidiary of the Company) nominated by it;
“Shareholders”	holders of Shares;
“Shares”	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”	China Harbour Enterprises 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, 12 March 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.