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RICH PROMISE LIMITED

(Incorporated in the British Virgin Islands with limited liability)

CROCODILE



Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)
(Stock Code: 122)

JOINT ANNOUNCEMENT

PROPOSED PRIVATISATION OF CROCODILE GARMENTS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 166 OF THE COMPANIES ORDINANCE

PROPOSED WITHDRAWAL OF LISTING OF CROCODILE GARMENTS LIMITED

AND

RESUMPTION OF TRADING IN THE SHARES OF CROCODILE GARMENTS LIMITED

**Financial Adviser to
Rich Promise Limited**

**Access
Capital** 

The Proposal

The Offeror and the Company jointly announce that on 13 February 2009, the Offeror requested the Board to put forward a proposal to the Independent Shareholders regarding the proposed privatisation of the Company by way of a scheme of arrangement under Section 166 of the Companies Ordinance.

The Proposal will be implemented by way of the Scheme. The Scheme will provide that the Scheme Shares be cancelled and, in consideration thereof, holders of the Scheme Shares will be entitled to receive the Cancellation Consideration of HK\$0.40 in cash for each Scheme Share.

The listing of the Shares on the Stock Exchange will be withdrawn following the effective date of the Scheme. The Proposal is conditional upon the fulfillment or waiver, as applicable, of the conditions described in the sub-section headed “Conditions of the Proposal” below. All of the conditions will have to be fulfilled or waived, as applicable, on or before 31 August 2009 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the High Court may direct), failing which the Scheme will lapse.

As at the Announcement Date, the Offeror and parties acting in concert with it were interested in 318,212,000 Shares, representing approximately 51.56% of the issued share capital of the Company and the Independent Shareholders were interested in 298,915,130 Shares, representing approximately 48.44% of the issued share capital of the Company. The Shares owned by the Offeror and parties acting in concert with it will not form part of the Scheme Shares and, as such, will not be voted at the Court Meeting. Further, only Independent Shareholders may vote at the Court Meeting.

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders (other than the Relevant Optionholders) to cancel their Options. The Option Offer will be conditional upon the Proposal becoming effective. The amount of the cash offer to cancel an Option will be determined as being the “see-through price” in accordance with the Takeovers Code and represents the difference between the Cancellation Consideration per Scheme Share payable under the Scheme and the exercise price per Share payable on exercise of an Option. As the exercise price of all the Options is above the Cancellation Consideration, the offer price under the Option Offer will be nominal, and the terms of the Option Offer will be set out in the scheme document of the Company.

As at the Announcement Date, the Company has 12,587,000 and 2,250,000 Options entitling relevant Optionholders thereof to subscribe for Shares with an exercise price of HK\$0.68 and HK\$0.72 per Share respectively. As at the Announcement Date, other than the Shares and the Options, the Company does not have any shares, warrants, options, derivatives, convertible securities or other securities in issue.

Financial Resources

Assuming none of the Options are exercised before the effective date of the Scheme, the maximum amount of cash consideration required to effect the Proposal will be approximately HK\$119,566,000. Assuming all the Options (other than those granted to the Relevant Optionholders) are exercised before the effective date of the Scheme, the maximum amount of cash consideration required to effect the Proposal will be approximately HK\$120,466,000. The Offeror will finance the cash consideration payable under the Scheme and the Option Offer from bank borrowings.

Access Capital, the Offeror’s financial adviser, is satisfied that sufficient financial resources are available to the Offeror to implement the Proposal in accordance with its terms.

Independent Board Committee of the Company

An independent committee of the Board comprising the three independent non-executive Directors namely Mr. Wan Yee Hwa, Edward, Mr. Yeung Sui Sang and Mr. Chow Bing Chiu and a non-executive Director namely Mr. Tong Ka Wing, Carl has been formed to advise the Independent Shareholders in respect of the Proposal. The other non-executive Director, Ms. Lam Suk Ying, Diana is a sister of Mr. Lam and is therefore not considered to be independent regarding the Proposal and is not eligible to be a member of the independent committee of the Board. The Company, with the approval of the independent committee of the Board, will appoint an independent financial adviser to advise the independent committee of the Board on such matters. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

Scheme Document

A scheme document of the Company containing, among other things, further details of the Proposal, the Scheme and the Option Offer, the expected timetable, an explanatory statement as required under the Companies Ordinance, the recommendations from the independent board committee of the Company in respect of the Proposal and the advice of an independent financial adviser to the independent board committee of the Company, a notice of the Court Meeting and a notice of the EGM, together with proxy forms in relation thereto, will be despatched to the Shareholders and the Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code and the directions of the High Court.

Suspension and Resumption of Trading

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 11 February 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 18 February 2009.

Shareholders and potential investors should note that the implementation of the Proposal is subject to the conditions set out in this announcement being fulfilled or waived, as applicable. Thus, the Proposal may or may not become effective. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

On 13 February 2009, the Offeror requested the Board to put forward the Proposal to the Independent Shareholders regarding the proposed privatisation of the Company by way of a scheme of arrangement under Section 166 of the Companies Ordinance.

Following a meeting of the Board on 13 February 2009, the Board has agreed to put forward the Proposal for consideration by the Independent Shareholders.

TERMS OF THE PROPOSAL

Shares

The Scheme will provide that the Scheme Shares be cancelled and, in consideration thereof, holders of the Scheme Shares will be entitled to receive the Cancellation Consideration of HK\$0.40 in cash for each Scheme Share.

As at the Announcement Date, there were 617,127,130 Shares in issue. The Offeror and parties acting in concert with it were interested in 318,212,000 Shares, representing approximately 51.56% of the issued share capital of the Company and the Independent Shareholders were interested in 298,915,130 Shares, representing approximately 48.44% of the issued share capital of the Company. The Shares owned by the Offeror and parties acting in concert with it will not form part of the Scheme Shares and, as such, will not be voted at the Court Meeting. Further, only Independent Shareholders may vote at the Court Meeting.

Options

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders (other than the Relevant Optionholders) to cancel their Options. The Option Offer will be conditional upon the Proposal becoming effective. The amount of the cash offer to cancel an Option will be determined as being the “see-through price” in accordance with the Takeovers Code and represents the difference between the Cancellation Consideration per Scheme Share payable under the Scheme and the exercise price per Share payable on exercise of an Option. As the exercise price of all the Options is above the Cancellation Consideration, the offer price under the Option Offer will be nominal, and the terms of the Option Offer will be set out in the scheme document of the Company.

As at the Announcement Date, the Company has 12,587,000 and 2,250,000 Options entitling relevant Optionholders thereof to subscribe for Shares with an exercise price of HK\$0.68 and HK\$0.72 per Share respectively. The Options consist of (i) 617,000 Options granted to Mr. Lam; (ii) 6,170,000 Options granted to Ms. Lam Wai Shan, Vanessa, an executive Director and deputy chief executive officer, and daughter of Mr. Lam; (iii) 5,800,000 Options to Ms. Lam Wai Kei, Vicky, an employee of the Group and daughter of Mr. Lam; and (iv) 2,250,000 Options granted to another employee of the Group. As at the Announcement Date, other than the Options granted to Mr. Lam, Ms. Lam Wai Shan, Vanessa and Ms. Lam Wai Kei, Vicky, there were no options, warrants or convertible securities in respect of the Shares held by the Offeror and parties acting in concert with it nor were there outstanding derivatives in respect of the Shares entered into by the Offeror and parties acting in concert with it.

As at the Announcement Date, other than the Shares and the Options, the Company does not have any shares, warrants, options, derivatives, convertible securities or other securities in issue.

Comparison of value

The Cancellation Consideration represents:

- a premium of approximately 92.3% over the closing price of HK\$0.208 per Share as quoted on the Stock Exchange on the Last Trading Date;
- a premium of approximately 95.1% over the average closing price of HK\$0.205 per Share based on the daily closing prices as quoted on the Stock Exchange for the one-month period ended on the Last Trading Date;
- a premium of approximately 95.1% over the average closing price of HK\$0.205 per Share based on the daily closing prices as quoted on the Stock Exchange for the three-month period ended on the Last Trading Date;
- a premium of approximately 83.5% over the average closing price of HK\$0.218 per Share based on the daily closing prices as quoted on the Stock Exchange for the six-month period ended on the Last Trading Date;
- a discount of approximately 59.3% to the audited consolidated net asset value per Share of approximately HK\$0.983 as at 31 July 2008.

Highest and lowest prices

During the six-month period preceding the Last Trading Date, the highest closing price and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.35 per Share on 20 August 2008 and HK\$0.14 per Share on 27 October 2008, respectively.

FINANCIAL RESOURCES

Total consideration

As at the Announcement Date, there were 617,127,130 Shares in issue and the Independent Shareholders were interested in 298,915,130 Shares, representing approximately 48.44% of the issued share capital of the Company.

At the Cancellation Consideration, the Proposal values the entire issued share capital of the Company at approximately HK\$246,851,000.

Assuming none of the Options are exercised before the effective date of the Scheme, the maximum amount of cash consideration required to effect the Proposal will be approximately HK\$119,566,000. Assuming all the Options (other than those granted to the Relevant Optionholders) are exercised before the effective date of the Scheme, the maximum amount of cash consideration required to effect the Proposal will be approximately HK\$120,466,000. The Offeror will finance the cash consideration payable under the Scheme and the Option Offer from bank borrowings.

Confirmation of financial resources

Access Capital, the Offeror's financial adviser, is satisfied that sufficient financial resources are available to the Offeror to implement the Proposal in accordance with its terms.

CONDITIONS OF THE PROPOSAL

The Proposal will become effective and binding on the Company and all holders of the Scheme Shares, subject to the fulfillment or waiver (as applicable) of the following conditions:

- (a) the approval of the Scheme (by way of a poll) by a majority in number of the Independent Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than three-fourths in value of those Scheme Shares that are voted either in person or by proxy by the Independent Shareholders at the Court Meeting, provided that the Scheme is not disapproved by the Independent Shareholders at the Court Meeting holding more than 10% in value of all the Scheme Shares held by all of the Independent Shareholders;
- (b) the passing of a special resolution to approve and give effect to the Scheme (including the cancellation of the Scheme Shares, the reduction of the authorised and issued share capital of the Company and the issue of the same number of Shares as is equal to the number of Scheme Shares cancelled) by not less than three-fourths in value of the votes cast by the Shareholders present and voting in person or by proxy at the EGM;
- (c) the sanction of the Scheme (with or without modifications) and confirmation of the reduction of the share capital of the Company involved in the Scheme by the High Court;
- (d) an office copy of the order of the High Court, together with a minute containing the particulars required by Section 61 of the Companies Ordinance, being registered by the Registrar of Companies in Hong Kong;
- (e) all Authorisations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the relevant authorities in Hong Kong or any other relevant jurisdictions;
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any relevant authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in the relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective; and
- (g) all necessary consents which may be required under any existing contractual obligations of the Company being obtained.

The Offeror reserves the right to waive conditions (e), (f), and/or (g), either in whole or in part, and whether generally or in respect of any particular matter. Conditions (a) to (d) cannot be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 31 August 2009 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the High Court may direct), failing which the Proposal will lapse.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon completion of the Proposal:

<i>Shareholders</i>	As at the Announcement Date		Upon completion of the Proposal (Note 2)	
	Number of Shares	%	Number of Shares	%
The Offeror and parties acting in concert with it (<i>Note 1</i>)	318,212,000	51.56	617,127,130	100.00
Independent Shareholders	298,915,130	48.44	-	-
Total	<u>617,127,130</u>	<u>100.00</u>	<u>617,127,130</u>	<u>100.00</u>

Notes:

1. Among the 318,212,000 Shares, 314,800,000 Shares are held directly by the Offeror and 3,412,000 Shares are held by Mr. Lam.
2. Under the Scheme, the share capital of the Company will, on the effective date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares. Forthwith upon such reduction, the share capital of the Company will be increased to its former amount by the issue of the same number of Shares as is equal to the Scheme Shares cancelled and the credit arising in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the 298,915,130 new Shares to be issued, credited as fully paid, to the Offeror or as the Offeror may direct.

REASONS FOR AND BENEFITS OF THE PROPOSAL

As mentioned in the Company's annual report for the year ended 31 July 2008, despite the increase in turnover and gross profit, the escalating retail rental expenses had adversely affected the performance of the Group's garment and related accessories business. A segment loss of approximately HK\$35.4 million was recorded for the garment and related accessories business. In view of the prevailing uncertainties in the local retail market due to the recent global financial turmoil, the Company expects that the outlook for this line of business will be more challenging and difficult in coming years.

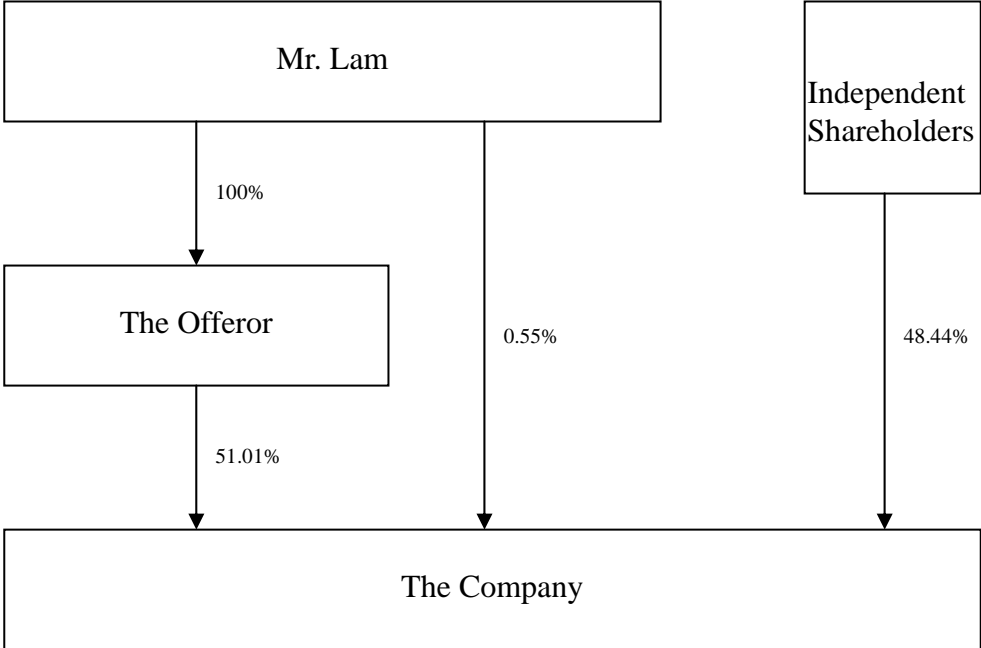
The Directors note that the trading volume of the Shares on the Stock Exchange in recent years has generally been low. The average daily traded volume of the Shares over the twelve-month period prior to this announcement was approximately 333,900 Shares, representing approximately 0.05% of the issued share capital of the Company as at the Announcement Date. Given the low liquidity of the Shares traded on the Stock Exchange, the director of the Offeror and the Directors believe that there is currently limited opportunity for the Independent Shareholders to divest their investment in the Company. The Directors also note that the Shares had been traded at a significant discount to the audited consolidated net asset value of the Company (approximately HK\$0.983 per Share as at 31 July 2008) during the twelve-month period ended on the Last Trading Date with the highest closing price of the Shares as quoted on the Stock Exchange of HK\$0.425 per Share on 16 June 2008.

In view of the above, the Directors consider that the Proposal provides an opportunity for the Independent Shareholders to realise their investment in the Company for cash during current poor market conditions at a significant premium over the prevailing Share price. Furthermore, the Proposal allows the Independent Shareholders the opportunity to invest such cash in other investment opportunities that they may consider more attractive.

INFORMATION ON THE COMPANY

The Company is a company incorporated in Hong Kong with limited liability, the shares of which have been listed on the Stock Exchange since 1971. The principal business activities of the Group are the manufacture and sale of garments and property investment.

An overview of the shareholding structure of the Group as at the Announcement Date is set out below:



An extract of the audited consolidated results of the Company for the financial years ended 31 July 2007 and 2008 is set out below:

	For the year ended	
	31 July 2008	31 July 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	450,007	441,155
Fair value gain on investment property	10,000	7,000
Gain on disposal of investment property	30,000	-
Profit before taxation	10,770	23,139
Profit after taxation	21,216	21,559
Profit attributable to Shareholders	21,216	21,559
Dividends – proposed final dividend	18,514	6,171
Basic earnings per Share (<i>HK cents</i>)	3.44	3.49

The audited consolidated net assets attributable to the Shareholders were approximately HK\$606 million as at 31 July 2008 and approximately HK\$572 million as at 31 July 2007.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability. Mr. Lam is the sole director and sole shareholder of the Offeror. The Offeror is an investment holding company.

DEALINGS IN SECURITIES

Dealings in the Shares by the Offeror and parties acting in concert with it during the six-month period ended on the Announcement Date are as follows:

Number of Shares purchased by Mr. Lam	Dealing date	Purchase Price per Share
		<i>(HK\$)</i>
400,000	18 September 2008	0.245
800,000	18 September 2008	0.250
75,000	19 September 2008	0.260
603,000	22 September 2008	0.260
70,000	23 September 2008	0.250
40,000	24 September 2008	0.250
281,000	25 September 2008	0.250
134,000	26 September 2008	0.240
199,000	26 September 2008	0.250

100,000	20 November 2008	0.201
100,000	21 November 2008	0.198
100,000	21 November 2008	0.200
200,000	24 November 2008	0.200
210,000	25 November 2008	0.200
100,000	26 November 2008	0.200

Save as disclosed above, the Offeror and parties acting in concert with it had not dealt in the Shares or Options during the six-month period ended on the Announcement Date.

FUTURE PLANS FOR THE GROUP

It is the intention of the Offeror to continue the existing businesses of the Group upon the successful privatisation of the Company. The Offeror does not have any intention to introduce any significant changes to the existing operations and management of the Group, nor does it have any intention to make any changes to the continued employment of the Group's employees. On the other hand, the Offeror will continue to assess any business opportunity that may arise from time to time involving the business and/or assets of the Group.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange under Rule 6.15 of the Listing Rules with effect from the date on which the Scheme becomes effective. Holders of the Scheme Shares will be notified by way of an announcement of the dates of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the scheme document, which will also contain further details of the Scheme.

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme is withdrawn, not approved or lapses.

OVERSEAS INDEPENDENT SHAREHOLDERS

The making of the Proposal to and acceptance of the Proposal by Independent Shareholders not resident in Hong Kong may be subject to the laws of other jurisdictions. Such persons should observe and inform themselves appropriately of any applicable legal or regulatory requirements in their respective jurisdictions. It is the responsibility of overseas Independent Shareholders (and others having an interest in the Scheme Shares) who wish to accept the Proposal to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

FURTHER AGREEMENTS OR ARRANGEMENTS

Save for the Proposal and the Scheme itself, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares which might be material to the Proposal.

The Offeror confirms that, there are no agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal.

Each of the Offeror and parties acting in concert with it confirms that it has not borrowed or lent any Shares or any other securities of the Company as at the Announcement Date.

INDEPENDENT BOARD COMMITTEE OF THE COMPANY

An independent committee of the Board comprising the three independent non-executive Directors namely Mr. Wan Yee Hwa, Edward, Mr. Yeung Sui Sang and Mr. Chow Bing Chiu and a non-executive Director namely Mr. Tong Ka Wing, Carl has been formed to advise the Independent Shareholders in respect of the Proposal. The other non-executive Director, Ms. Lam Suk Ying, Diana is a sister of Mr. Lam and is therefore not considered to be independent regarding the Proposal and is not eligible to be a member of the independent committee of the Board. The Company, with the approval of the independent committee of the Board, will appoint an independent financial adviser to advise the independent committee of the Board on such matters. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

SCHEME DOCUMENT

A scheme document of the Company containing, among other things, further details of the Proposal, the Scheme and the Option Offer, the expected timetable, an explanatory statement as required under the Companies Ordinance, the recommendations from the independent board committee of the Company in respect of the Proposal and the advice of an independent financial adviser to the independent board committee of the Company, a notice of the Court Meeting and a notice of the EGM, together with proxy forms in relation thereto, will be despatched to the Shareholders and the Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code and the directions of the High Court.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 11 February 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 18 February 2009.

GENERAL

Associates of the Company and the Offeror are reminded to disclose their dealings in any securities of the Company.

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

WARNING

Shareholders and potential investors should note that the implementation of the Proposal is subject to the conditions set out in this announcement being fulfilled or waived, as applicable. Thus, the Proposal may or may not become effective. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Access Capital”	means Access Capital Limited, financial adviser to the Offeror in respect of the Proposal, which is licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement Date”	means 17 February 2009, being the date of this announcement
“associate”	has the meaning given to such term under the Takeovers Code
“Authorisations”	means all the necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Board”	means the board of Directors

“Cancellation Consideration”	means HK\$0.40 per Scheme Share
“Companies Ordinance”	means the Companies Ordinance (Chapter 32, Laws of Hong Kong)
“Company”	means Crocodile Garments Limited, a company incorporated in Hong Kong with limited liability, the shares of which are currently listed on the Main Board of the Stock Exchange
“Court Meeting”	means a meeting of the Independent Shareholders to be convened at the direction of the High Court at which the Scheme will be voted upon
“Director(s)”	means the director(s) of the Company
“EGM”	means the extraordinary general meeting of the Company to be convened for the approval and implementation of the Scheme
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	means the Company and its subsidiaries
“High Court”	means the High Court of the Hong Kong Special Administrative Region, Court of First Instance
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	means Shareholders other than the Offeror and parties acting in concert with it (the parties presumed under the Takeovers Code to be so acting in concert include Mr. Lam)
“Last Trading Date”	means 10 February 2009, being the last full trading day before the suspension of trading in the Shares pending the issue of this announcement
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lam”	means Mr. Lam Kin Ming, the chairman and chief executive officer of the Company, an executive Director and the sole beneficial shareholder of the Offeror

“Offeror”	means Rich Promise Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Lam
“Optionholders”	means holders of the Options
“Option Offer”	means the cash offer to the Optionholders (other than the Relevant Optionholders) to cancel their Options
“Options”	means options granted under the Share Option Scheme which remain unexercised
“Proposal”	means the proposal for the privatisation of the Company by the Offeror by way of the Scheme
“Relevant Optionholders”	means Mr. Lam, Ms. Lam Wai Shan, Vanessa, an executive Director and deputy chief executive officer, Ms. Lam Wai Kei, Vicky, an employee of the Group, both being daughters of Mr. Lam, all being persons acting in concert with the Offeror
“Record Date”	means the record date for determining entitlements under the Scheme
“Scheme”	means a scheme of arrangement under Section 166 of the Companies Ordinance for the implementation of the Proposal
“Scheme Share(s)”	means the Share(s) in issue as at the Record Date other than those beneficially owned by the Offeror and parties acting in concert with it
“SFC”	means the Securities and Futures Commission
“SFO”	means the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share Option Scheme”	the share option scheme of the Company which was adopted at the annual general meeting of the Company held on 22 December 2006
“Share(s)”	means share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	means holder(s) of the Shares
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Takeovers Code”	means The Code on Takeovers and Mergers

By Order of the Sole Director
Rich Promise Limited
Lam Kin Ming
Director

By Order of the Board
Crocodile Garments Limited
Yeung Kam Hoi
Company Secretary

Hong Kong, 17 February 2009

As at the Announcement Date, Mr. Lam is the sole director of the Offeror.

Mr. Lam, as sole director of the Offeror, accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his 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.

As at the Announcement Date, the executive Directors are Mr. Lam Kin Ming (Chairman and Chief Executive Officer), Ms. Lam Wai Shan, Vanessa (Deputy Chief Executive Officer), Mr. Lam Kin Ngok, Peter, Mr. Lam Kin Hong, Matthew and Ms. Cheng Suet Fei, Sophia; the non-executive Directors are Ms. Lam Suk Ying, Diana and Mr. Tong Ka Wing, Carl; and the independent non-executive Directors are Mr. Wan Yee Hwa, Edward, Mr. Yeung Sui Sang and Mr. Chow Bing Chiu.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror and parties acting in concert with it (except the Group)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by the Offeror and parties acting in concert with it (except the Group)) 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 (other than that relating to the Offeror and parties acting in concert with it (except the Group)) misleading.