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Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

Positive Profit Alert

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform that the Group is expected to record a substantial increase in the audited annual consolidated profit attributable to owners of the Company for the year ended 31 July 2017 as compared to the consolidated profit attributable to the owners of the Company for the corresponding year ended 31 July 2016, primarily due to a substantial increase in revaluation gain of the Group's investment properties and effective cost control on the garment business of the Group during the year under review.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Crocodile Garments Limited ("**Company**", and together with its subsidiaries, "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) ("**SFO**").

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

Based on the preliminary unaudited consolidated management accounts of the Group, the board of directors of the Company ("**Board**") wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors that the Group is expected to record a substantial increase in the audited annual consolidated profit attributable to owners of the Company for the year ended 31 July 2017 ("**Year**"), within the range of HK\$85 million to HK\$110 million, as compared to the consolidated profit attributable to the owners of the Company of approximately HK\$455,000 recorded for the corresponding year ended 31 July 2016.

The increase in the consolidated profit attributable to owners of the Company for the Year is primarily due to a substantial increase in revaluation gain of the Group's investment properties and effective cost control on the garment business of the Group during the year under review.

The information contained in this announcement is only based on the preliminary assessment by the Group's management according to the information that is currently available and the preliminary unaudited consolidated management accounts of the Group which have not yet been audited or reviewed by the Company's independent auditor or audit committee. The final results of the Group for the Year are expected to be published in late October 2017.

Shareholders and potential investors are, therefore, advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 16 October 2017

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 Edward Yee Hwa; 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.