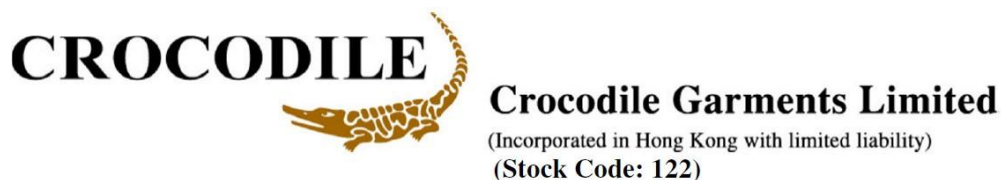


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## **Update on Profit Warning**

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.

Further to the Company's August Announcement, the Board wishes to inform that the Group's audited annual results for the Year is expected to record a consolidated profit attributable to owners of the Company within the range of HK\$25 million to HK\$35 million (2018: HK\$162,493,000).

**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**").

Reference is made to the profit warning announcement of the Company dated 15 August 2019 ("**August Announcement**"), in which it was disclosed that the Group's audited annual results for the year ended 31 July 2019 ("**Year**") was expected to deteriorate greatly.

Based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the Year, the board of directors of the Company ("**Board**") wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors that the Group's audited annual results for the Year is expected to record a consolidated profit attributable to owners of the Company within the range of HK\$25 million to HK\$35 million, as compared to HK\$162,493,000 in the last year.

As disclosed in the August Announcement, the expected great deterioration in the Group's results for the Year is primarily due to the large decrease in gains arising from the revaluation of the Group's investment properties and provision for onerous contracts made on under-performing shops of the garment business during the Year. The above deterioration is partly cushioned by the recovery in value of the financial assets at fair value through profit and loss in the second half of the Year and the net reversal of provision for doubtful debts on trade and other receivables of the garment business.

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 for Year which have not yet been audited by the Company's independent auditor or reviewed by the Company's audit committee. The audited annual results of the Group for the Year are scheduled to be published on 28 October 2019.

**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, 17 October 2019

*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.*