CROCODILE

Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 JULY 2013

RESULTS

The board of directors ("**Directors**" and "**Board**" respectively) of Crocodile Garments Limited ("**Company**") announces the audited consolidated results of the Company and its subsidiaries ("**Group**") for the financial year ended 31 July 2013 together with the comparative figures for the previous year as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 July 2013

	Notes	**2013** ***HK$'000***	2012 *HK$'000* (Restated)
REVENUE	3	**499,451**	505,640
Cost of sales		**(196,412)**	(178,441)
Gross profit		**303,039**	327,199
Fair value gains on investment properties		**319,429**	77,127
Other income	4	**56,780**	55,077
Selling and distribution expenses		**(342,937)**	(307,602)
Administrative expenses		**(65,484)**	(62,424)
Other operating expenses, net		**(29,555)**	(1,273)
Finance costs	5	**(6,253)**	(1,847)
Share of profit of an associate		**5,308**	2,740
PROFIT BEFORE INCOME TAX	6	**240,327**	88,997
Income tax expense	7	**(3,444)**	(4,323)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**236,883**	84,674
OTHER COMPREHENSIVE INCOME:			
Item that will not be subsequently reclassified to profit or loss:			
Gain arising on transfer of property, plant and equipment to investment properties at fair value		**599**	-
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**7,353**	1,359
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**244,835**	86,033
		HK cents	HK cents (Restated)
EARNINGS PER SHARE	9		
- Basic		**25.31**	9.05
- Diluted		**25.31**	9.05

Consolidated Statement of Financial Position

At 31 July 2013

	Notes	**31 July 2013 HK$'000**	31 July 2012 HK$'000 (Restated)	1 August 2011 HK$'000 (Restated)
Non-current assets				
Property, plant and equipment		**90,340**	63,588	43,961
Investment properties		**1,294,484**	930,700	791,000
Construction in progress		**29,421**	43,197	35,586
Land lease prepayments		**56,429**	19,199	15,463
Interest in an associate		**28,342**	22,540	19,328
Rental and utility deposits		**22,780**	22,407	25,082
Deposits for acquisition and construction of property, plant and equipment and investment properties		**19,761**	2,196	10,873
Deposits for land lease prepayments	10	**17,416**	34,823	34,537
Available-for-sale financial asset		**22,934**	20,045	-
Deferred tax assets		**219**	1,862	2,256
		1,582,126	1,160,557	978,086
Current assets				
Inventories		**161,534**	99,708	73,376
Trade and other receivables, deposits and prepayments	11	**97,179**	103,964	80,610
Amounts due from related companies		**178**	177	149
Financial assets at fair value through profit or loss		**118,183**	75,957	-
Pledged bank deposits		**4,344**	42,493	-
Cash and cash equivalents		**57,569**	49,651	80,045
		438,987	371,950	234,180
Current liabilities				
Borrowings		**132,099**	1,648	15,946
Margin loans payable		**12,009**	34,301	-
Trade and other payables and deposits received	12	**93,630**	83,584	80,432
Amounts due to related companies		**26,850**	801	352
Tax payable		**23,478**	21,361	19,948
		288,066	141,695	116,678
Net current assets		**150,921**	230,255	117,502
Total assets less current liabilities		**1,733,047**	1,390,812	1,095,588
Non-current liabilities				
Borrowings		**316,091**	233,510	24,434
Provision for long service payments		**2,732**	2,952	2,854
Deferred tax liabilities		**56**	17	-
		318,879	236,479	27,288
Net assets		**1,414,168**	1,154,333	1,068,300
Capital and reserves				
Share capital		**233,936**	233,936	155,957
Reserves		**1,180,232**	920,397	912,343
Total Equity		**1,414,168**	1,154,333	1,068,300

Notes:

(1) BASIS OF PREPARATION

The financial statements have been prepared in accordance with new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments, which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These financial statements are presented in Hong Kong dollars ("**HK$**") except otherwise indicated.

(2) APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied the following new and revised HKFRSs that issued by the HKICPA.

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 12	Deferred Tax - Recovery of Underlying Assets
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in 2012

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or the disclosures set out in these financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 Presentation of Items of Other Comprehensive Income introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The Group has applied for the first time the amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets in the current year. Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the Directors reviewed the Group's investment property portfolios in Hong Kong and the People Republic of China ("**PRC**") and concluded that except one investment property as mentioned in Note 32(b) to the financial statements of the Group as at 31 July 2013 and an investment property in the PRC, none of the Group's other investment properties in Hong Kong are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, except the investment properties specified above, the Directors have determined that the "sale" presumption set out in the amendments to HKAS 12 is not rebutted.

The application of the amendments to HKAS 12 has resulted in the Group and the Group's associate not recognising any deferred taxes on changes in fair value of the investment properties except the investment properties specified above, as the Group and the Group's associate are not subject to any income taxes on disposal of their investment properties. Previously, the Group and the Group's associate recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities and interest in an associate being decreased by approximately HK$71,806,000 and increased by approximately HK$1,566,000 respectively as at 1 August 2011, with the corresponding credit being recognised in retained earnings. Similarly, the deferred tax liabilities and interest in an associate have been decreased by approximately HK$84,642,000 and increased by approximately HK$1,979,000 respectively as at 31 July 2012.

In the current year, no deferred taxes have been provided for changes in fair value of the Group's and its associate's investment properties. The change in accounting policy has resulted in the Group's income tax expense and share of profit of an associate for the years ended 31 July 2013 and 31 July 2012 being reduced by approximately HK$52,660,000 and HK$13,249,000 respectively and hence resulted in profit for the years ended 31 July 2013 and 31 July 2012 being increased by approximately HK$52,660,000 and HK$13,249,000 respectively.

Amendments to HKAS 1 Presentation of Financial Statements (as part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is Annual Improvements to HKFRSs (2009 – 2011 Cycle). The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets for the first time, which has resulted in a material effect on the information in the consolidated statement of financial position as at 1 August 2011. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position as at 1 August 2011 without the related notes.

Summary of the effects of the above changes in accounting policies

The effects of change in accounting policies described above on the results for the current and prior years by line items are as follows:

	Year ended 31 July 2013	Year ended 31 July 2012
	HK$'000	*HK$'000*
Increase in share of profit of an associate	**825**	413
Decrease in income tax expense	**51,835**	12,836
Increase in profit for the year	**52,660**	13,249

The effects of the above changes in accounting policies on the consolidated financial positions of the Group as at 1 August 2011 and 31 July 2012 is as follows:

	As at 1 August 2011			As at 31 July 2012		
	(Originally stated)	Adjustments	(Restated)	(Originally stated)	Adjustments	(Restated)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Interest in an associate	17,762	1,566	19,328	20,561	1,979	22,540
Deferred tax liabilities	76,472	(71,806)	4,666	90,081	(84,642)	5,439
Total effects on net assets	994,928	73,372	1,068,300	1,067,712	86,621	1,154,333
Retained profits	533,686	73,372	607,058	605,111	86,621	691,732
Total effects on equity	994,928	73,372	1,068,300	1,067,712	86,621	1,154,333

The effects of the above changes in accounting policies on the consolidated financial positions of the Group as at 31 July 2013 is as follows:

	As at 31 July 2013
	HK$'000
Increase in interest in an associate	**2,804**
Decrease in deferred tax assets	**(477)**
Decrease in deferred tax liabilities	**136,954**
Total effects on net assets	**139,281**
Increase in retained earnings	**139,281**
Total effects on equity	**139,281**

The effects of the above changes in accounting policies on the Group's basic and diluted earnings per share for the current and prior year are as follows:

	Year ended 31 July 2013 HK cents	Year ended 31 July 2012 HK cents
Basic and diluted earnings per share before adjustment	**19.68**	7.63
Adjustment arising from changes in the Group's accounting policies in relation to the application of amendments to HKAS 12 in respect of deferred taxes on investment properties	**5.63**	1.42
Basic and diluted earnings per share after adjustment	**25.31**	9.05

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle, except for the amendments to HKAS 1[1]
Amendments to HKFRS 1	First-time Adoption of HKFRSs – Government Loans[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (as revised in 2011)	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[2]
Amendments to HKAS 39	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting[2]
HK(International Financial Reporting Interpretation Committee) - ("**IFRIC**") Interpretation ("**Int**") 20	Stripping Costs in the Production Phase of a Surface Mine[1]
HK(IFRIC) – Int 21	Levies[2]

[1] Effective for annual periods beginning on or after 1 January 2013
[2] Effective for annual periods beginning on or after 1 January 2014
[3] Effective for annual periods beginning on or after 1 January 2015

Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012

The Annual Improvements to HKFRSs 2009 – 2011 Cycle include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include the amendments to HKAS 16 Property, Plant and Equipment and the amendments to HKAS 32 Financial Instruments: Presentation.

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The Directors do not anticipate that the application of the amendments will have a material effect on the financial statements.

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. The Directors anticipate that the amendments to HKAS 32 will have no effect on the financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The Directors anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designed as at fair value through profit or loss ("**FVTPL**"), HKFRS 9 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The Directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's and the Company's financial assets and financial liabilities. Regarding the Group's and the Company's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. HK (SIC)-Int 12 Consolidation – Special Purpose Entities will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) – Int 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The Directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 August 2013. The application of these five standards may have a significant impact on amounts reported in the consolidated financial statements. However, the Directors have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The amendments to HKFRS 10 introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interests in subsidiaries at FVTPL.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made to introduce new disclosure requirements for investment entities.

The amendments to HKFRS 10, HKFRS 12 and HKAS 27 are effective for annual periods beginning on or after 1 January 2014, with early application permitted. The Directors anticipate that the application of the amendments will have no effect on the Group as the Company is not an investment entity.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 August 2013, with earlier application permitted. The Directors anticipate that the application of the new standard may affect certain amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

Other than as disclosed above, the Directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and financial position of the Group and the Company.

(3) SEGMENT INFORMATION

(a) Segment revenues and results

	Garment and related accessories business		Property investment and letting business		Others		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)				(Restated)
Revenue from external customers	**471,253**	481,341	**28,198**	24,299	**-**	-	**499,451**	505,640
Other revenue from external customers	**52,759**	49,136	**1,764**	2,015	**1,692**	3,631	**56,215**	54,782
Group's total revenue	**524,012**	530,477	**29,962**	26,314	**1,692**	3,631	**555,666**	560,422
Reportable segment (loss) profit	**(102,806)**	(11,968)	**347,134**	98,935	**1,692**	3,631	**246,020**	90,598
Unallocated corporate income							**565**	295
Unallocated corporate expenses							**(5)**	(49)
Finance costs							**(6,253)**	(1,847)
Profit before income tax							**240,327**	88,997

(b) Segment assets and liabilities

	Garment and related accessories business		Property investment and letting business		Others		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)				(Restated)
ASSETS								
Segment assets	**500,917**	382,651	**1,316,947**	959,848	**118,183**	75,957	**1,936,047**	1,418,456
Unallocated corporate assets							**85,066**	114,051
Total consolidated assets							**2,021,113**	1,532,507
LIABILITIES								
Segment liabilities	**112,099**	78,052	**11,113**	9,285	**12,009**	34,301	**135,221**	121,638
Unallocated corporate liabilities							**471,724**	256,536
Total consolidated liabilities							**606,945**	378,174

(c) Other segment information

	Garment and related accessories business		Property investment and letting business		Others		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)				(Restated)
Amounts included in the measure of segment profit or loss or segment assets:								
Additions and transfer to non-current assets	**26,163**	47,803	**84,163**	62,583	**-**	-	**110,326**	110,386
Additions to deposits for acquisition and construction of property, plant and equipment	**4,768**	-	**-**	-	**-**	-	**4,768**	-
Additions to deposits for acquisition of investment properties	**-**	-	**14,680**	-	**-**	-	**14,680**	-
Interest in an associate	**-**	-	**28,342**	22,540	**-**	-	**28,342**	22,540
Depreciation and amortisation	**16,606**	14,695	**1,714**	1,751	**-**	-	**18,320**	16,446
Provision for slow-moving inventories	**4,160**	172	**-**	-	**-**	-	**4,160**	172
Provision for (write-back of) bad and doubtful debts of trade receivables	**1,145**	(531)	**-**	26	**-**	-	**1,145**	(505)
Provision for bad and doubtful debts of other receivables	**6,344**	-	**-**	-	**-**	-	**6,344**	-
Bad debts write-off	**856**	-	**-**	-	**-**	-	**856**	-
Loss on disposal / write-off of property, plant and equipment	**369**	675	**-**	-	**-**	-	**369**	675
Write-back of long outstanding trade payables	**(78)**	(1,032)	**-**	-	**-**	-	**(78)**	(1,032)
Other receivables write-off	**13**	966	**-**	-	**-**	-	**13**	966
Provision for deposit for acquisition and construction of property, plant and equipment	**2,232**	-	**-**	-	**-**	-	**2,232**	-
Provision for deposit for acquisitions of land lease prepayments	**18,254**	-	**-**	-	**-**	-	**18,254**	-
Fair value gains on investment properties	**-**	-	**(319,429)**	(77,127)	**-**	-	**(319,429)**	(77,127)
Net gain on financial assets at FVTPL	**-**	-	**-**	-	**(1,692)**	(3,631)	**(1,692)**	(3,631)
Share of profit of an associate	**-**	-	**(5,308)**	(2,740)	**-**	-	**(5,308)**	(2,740)
Interest income from an associate	**-**	-	**(494)**	(472)	**-**	-	**(494)**	(472)
Amounts regularly provided to the chief operation decision maker but not included in measure of segment profit or loss or segment assets:								
Bank interest income	**(565)**	(295)	**-**	-	**-**	-	**(565)**	(295)
Interest expense	**3,109**	104	**3,144**	1,743	**-**	-	**6,253**	1,847
Income tax expense	**1,763**	3,912	**1,681**	411	**-**	-	**3,444**	4,323

(d) Geographical information

	Revenue from external customers		Non-current assets	
	Year ended 31 July		**As at 31 July**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)
Hong Kong (place of domicile)	**389,218**	394,552	**1,370,272**	959,659
The PRC	**166,448**	165,870	**155,523**	146,680
	555,666	560,422	**1,525,795**	1,106,339

(e) Information about major customers

None of the Group's customers contributed 10% or more of the Group's total revenue during the two years ended 31 July 2013 and 2012.

(4) OTHER INCOME

	2013	2012
	HK$'000	*HK$'000*
Royalty income	**51,642**	47,073
Bank interest income	**565**	295
Interest income from an associate	**494**	472
Net gain on financial assets at FVTPL	**1,692**	3,631
Others	**2,387**	3,606
	56,780	55,077

(5) FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on borrowings		
- wholly repayable within five years	**5,938**	1,689
- not wholly repayable within five years	**315**	158
	6,253	1,847

(6) PROFIT BEFORE INCOME TAX

The Group's profit before income tax has been arrived at after charging (crediting):

	2013	2012
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**17,310**	16,105
Amortisation of land lease prepayments (included in administrative expenses)	**1,010**	341
Provision for slow-moving inventories (included in cost of sales)	**4,160**	172

(7) INCOME TAX EXPENSE

	2013 *HK$'000*	2012 *HK$'000* (Restated)
Current tax		
– PRC Enterprise Income Tax	**1,762**	3,912
Deferred tax	**1,682**	411
Income tax expense	**3,444**	4,323

No current Hong Kong Profits Tax has been provided for the year ended 31 July 2013 (2012: nil) as the Group either has unused tax loss available to offset against assessable profits or there was no estimated assessable profit for the year.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% from 1 January 2008 onwards.

(8) DIVIDENDS

No dividend was paid or declared during the year ended 31 July 2013 (2012: nil), nor has any dividend been proposed by the Company since the end of the reporting period (2012: nil).

(9) EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share for the year ended 31 July 2013 is based on the consolidated profit attributable to owners of the Company of approximately HK$236,883,000 (2012: HK$84,674,000 (restated)) and the number of ordinary shares in issue of 935,743,695 (2012: 935,743,695), and is calculated as follows:

Number of ordinary shares

	2013	2012
Issued ordinary shares at 1 August	**935,743,695**	623,829,130
Effect of bonus share issued	**-**	311,914,565
Number of ordinary shares in issue for the year ended 31 July	**935,743,695**	935,743,695

(b) Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share for the years ended 31 July 2013 and 2012, as the Company had no dilutive potential ordinary shares in issue during the years ended 31 July 2012 and 2013.

(10) DEPOSITS FOR LAND LEASE PREPAYMENTS

Deposits as land lease prepayments (the "**Land Lease Prepayments**") were made for the purchase of land use rights in Mainland China (the "**Land**"). In accordance with the agreement dated 22 June 2006 (the "**Agreement**") entered into by the Group and Zhongshan Hong Feng Real Property Consultancy Company Limited (中山市宏豐房地產諮詢服務有限公司) (the "**Vendor**"), the Group had made payment of approximately RMB14,721,000 (equivalent to HK$18,548,000 (2012: HK$17,960,000)) to the Vendor (the "**Vendor Deposit**") and approximately RMB13,822,000 (equivalent to HK$17,416,000 (2012: HK$16,863,000)) to a company owned by Zhongshan Sanxiang Town local government (the "**Government Deposit**").

In October 2010, April 2011 and October 2011, various letters had been issued by the Zhongshan Sanxiang Town local government (the "**Local Government**") which acknowledged (i) the receipt of the deposits; (ii) the progress of the application for the issuance of the land use right certificate; and (iii) the undertaking by the Local Government to compensate and repay the deposits (including the Vendor Deposit and the Government Deposit) to the Group in case the land use right certificate cannot be obtained by the Group (the "**Undertaking**").

In October 2012, the Vendor and the Local Government respectively issued letter to the Group which acknowledged (i) their respective receipt of the deposit from the Group; (ii) their respective responsibility to assist the Group in obtaining the land use right certificate of the Land; and (iii) their respective obligation to refund the respective deposit received with interest to the Group upon the request from the Group in the event that the Group fails to obtain the land use right certificate of the Land.

In October 2012, the Group obtained legal opinion from an independent PRC law firm (the "**Lawyer**") and received the legal advice that whilst the other letters had not specified or confirmed the whole amount of the Land Lease Prepayments (i.e. the Government Deposit together with the Vendor Deposit) (the "**Whole Amount**") or timing of commitment by the Local Government to repay, however, based on the Undertaking, the Group would have reasonable grounds to recover the Whole Amount paid with interest from the Local Government, regardless whether the Vendor is able to repay the Vendor Deposit or not, despite the associated risk and uncertainty which may exist during the course of legal action taken. The Lawyer further advised that appropriate legal action should be taken within a valid time bar under the PRC law and regulations, which was before the end of February 2013, in order to secure and support the Group's right to recover the Whole Amount from the Local Government.

On 26 October 2012, the date on which the consolidated financial statements of the Group for the year ended 31 July 2012 were approved by the Directors, the Directors resolved not to take immediate legal action but to further negotiate with the Local Government and the Vendor with a view to obtain the land use right certificate of the Land in near future, as the Directors believed that there had been appreciation in the value of the Land, though that it may exceed the valid time bar to recover the Whole Amount with interest from the Local Government if legal action was to be taken later on. The Directors believed that the Group would either be able to recover the Whole Amount or to obtain the relevant land use right certificate in the near future. No impairment loss on the deposits paid was then considered necessary by the Directors for the year ended 31 July 2012.

During the year ended 31 July 2013 and up to the date of approval of these consolidated financial statements, no legal action was taken by the Group against the Local Government and the Vendor because the negotiation with the Local Government and the Vendor to obtain the land use right certificate of the Land was still in progress.

In September 2013, the Local Government further issued a letter to the Group which acknowledged (i) its receipt of the Government Deposit from the Group; (ii) its responsibility to assist the Group in obtaining the land use right certificate of the Land; and (iii) its obligation to refund the deposit received with interest to the Group upon the request from the Group in the event that the Group fails to obtain the land use right certificate of the Land.

Since the valid time bar under the PRC law and regulations to take legal action to recover the Vendor Deposit from the Local Government was expired, the Directors have performed a detailed assessment on the recoverability of the carrying amount of the Vendor Deposit as at 31 July 2013, which included search on the financial position of the Vendor. On the basis of the assessment, a full provision for impairment of the Vendor Deposit has been recognised and charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 July 2013 as the management opined that the impairment loss was definitely incurred in the year ended 31 July 2013 in which the Group's option to recover the Vendor Deposit from the Local Government was legally expired at the end of February 2013 contrary to any opinion of the uncertainty as to whether the impairment loss, or any portion thereof, was incurred in the year ended 31 July 2012 or 2013.

(11) TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**21,320**	24,881
Less: Allowance for bad and doubtful debts	**(2,329)**	(1,141)
Trade receivables, net	**18,991**	23,740
Other receivables	**52,466**	43,618
Less: Allowance for bad and doubtful debts	**(6,344)**	-
Other receivables, net (Note i)	**46,122**	43,618
Deposits and prepayments (Note ii)	**54,846**	59,013
Total	**119,959**	126,371
Less: Rental and utility deposits shown under non-current assets	**(22,780)**	(22,407)
Current portion	**97,179**	103,964

Notes:

(i) As at 31 July 2013, royalty receivables of the Group of approximately HK$40,768,000 (2012: HK$38,370,000) is included in the other receivables.

(ii) As at 31 July 2013, land lease prepayments of the Group of approximately HK$1,598,000 (2012: HK$341,000) are included in the current portion of deposits and prepayments.

(a) Other than cash sales made at retail outlets of the Group, trading terms with wholesale customers are largely on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the term is extended to 90 days. Each customer has been set with a maximum credit limit. The Group does not hold any collateral over these balances.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management.

(b) An aging analysis of trade receivables as at the end of reporting period, net of allowance, based on the invoice date is as follows:

	2013	2012
	HK$'000	*HK$'000*
Trade receivables		
0 to 90 days	**12,580**	17,042
91 to 180 day	**4,406**	2,120
181 to 365 days	**2,005**	4,578
	18,991	23,740

(c) The movements in the allowance for bad and doubtful debts for trade receivables during the year, including both specific and collective loss components, are as follows:

	2013	2012
	HK$'000	*HK$'000*
At the beginning of the year	**1,141**	1,641
Allowance (reversed) provided	**1,145**	(505)
Exchange realignment	**43**	5
At the end of the year	**2,329**	1,141

Included in allowance for bad and doubtful debts of the Group are individually impaired trade receivables with an aggregate balance of approximately HK$2,329,000 (2012: HK$1,141,000). The impaired trade receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowance for doubtful debts was fully recognised.

(d) The movements in the allowance for bad and doubtful debts for other receivables during the year, including both specific and collective loss components, are as follows:

	2013	2012
	HK$'000	*HK$'000*
At the beginning of the year	**-**	-
Allowance provided	**6,344**	-
At the end of the year	**6,344**	-

Included in allowance for bad and doubtful debts of the Group are individually impaired other receivables with aggregate balances of approximately HK$6,344,000 (2012: nil). The individually impaired other receivables related to long outstanding balances and management assessed the recoverability of such balances is remote and impairment was recognised for the year ended 31 July 2013.

The Group does not hold any collateral over the other receivables.

(12) TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED

An aging analysis of the trade payables as at the end of the reporting period, based on the date of receipt of the goods, and the details of balances of advance from customers, deposits received, other payables and accruals are as follows:

	2013	2012
	HK$'000	*HK$'000*
Trade payables:		
0 to 90 days	**34,847**	17,488
91 to 180 days	**266**	2,722
181 to 365 days	**814**	635
Over 365 days	**391**	636
	36,318	21,481
Advance from customers	**8,682**	14,957
Deposits received	**10,781**	7,275
Other payables and accruals	**37,849**	39,871
	93,630	83,584

The trade payables are normally settled between 30 and 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The Company's independent auditor has qualified the Group's consolidated financial statements for the year ended 31 July 2013, an extract of which is as follows:

Basis for Qualified Opinion

As further detailed in Note 21 to the financial statements, a full provision for impairment of the deposit for land lease prepayments of approximately RMB14,721,000 (equivalent to HK$18,548,000) was made during the year ended 31 July 2013. Our report on the financial statements of the Group for the year ended 31 July 2012 was qualified in view of the limitations on the scope on such deposit for land lease prepayments.

Any adjustments found to be necessary to the opening balances as at 1 August 2012 in respect to the deposit for land lease prepayments of approximately RMB14,721,000 (equivalent to HK$17,960,000) may affect the results and the related disclosures in the notes to the financial statements of the Group for the year ended 31 July 2013. Also, the comparative figures in respect of the net assets of the Group as at 31 July 2012 and the results and the related disclosures in the notes to the financial statements of the Group for the year ended 31 July 2012 may not be comparable with the figures for the current year. Nevertheless, the consolidated statement of financial position of the Group as at 31 July 2013 remains unaffected.

Qualified Opinion

In our opinion, except for the effects of such adjustments on the opening balances that might have been found to be necessary had we been able to satisfy ourselves as to the matter described in the basis for qualified opinion paragraph, the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 July 2013 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 July 2013 (2012: Nil). No interim dividend was paid or declared in respect of the year ended 31 July 2013 (2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

The revenue of the Group for the year ended 31 July 2013 was HK$499,451,000 (2012: HK$505,640,000), a drop of 1.2%; and the gross profit of the Group decreased by 7.4% to HK$303,039,000 (2012: HK$327,199,000).

The “Garment and Related Accessories Business” segment experienced an extremely strong head-wind in the year ended 31 July 2013. Under the weakening economic conditions, the short chilly weather in the winter of 2012 and the rainy weather in April 2013 caused the sale of the seasonal high-end merchandises even more sluggish. Competitors having excessive inventory levels on hand offered very deep discounts for clearance and dragged down the gross profit margins of the apparel retail business as a whole. On the other hand, the landlords still raised the already high rental charges significantly upon lease renewals of shops. To weather these tough circumstances, the Group has continued to restructure its sales network to improve the shop operational efficiency and elevate the product design and quality for offering premier merchandises to the market.

The “Property Investment and Letting Business” segment delivered very satisfactory results. It generated a rental income of HK$28,198,000 for the year ended 31 July 2013 (2012: HK$24,299,000) and, benefitted from the robust property market in Hong Kong, contributed the fair value gains on investment properties of HK$319,429,000 as at 31 July 2013 (2012: HK$77,127,000).

Combing the results of the two business segments above with the share of profit of an associated company of HK$5,308,000 (2012: HK$2,740,000 as restated) and the exchange differences arising from the translation of foreign operations of HK$7,353,000 (2012: HK$1,359,000), the total comprehensive income attributable to the owners of the Company was HK$244,835,000 for the year ended 31 July 2013 (2012: HK$86,033,000 as restated).

Operations in Hong Kong and Macau

Though the economic outlook was bleak, the shop rental expenses remained exorbitant and it aggravated the operating environment of the “Garment and Related Accessories Business” segment. To tackle this issue, the Group has refined its shop portfolio by repositioning and closing down certain under-performing shops. However, it takes time for the advantages of this shop improvement program to be realised. Moreover, the short chilly weather in the winter of 2012 and the rainy weather in April 2013 suppressed the sales of high-end merchandises. The revenue increased merely by 1.4% in the year ended 31 July 2013. As at 31 July 2013, the Group operated 24 shops for Crocodile line (2012: 25) and 8 shops for Lacoste line (2012: 8).

The Hong Kong SAR Government has implemented various stringent measures to cool down the property market; its effect on leasing aspect is yet to be crystallised. The “Property Investment and Letting Business” segment kept on providing a stable income stream to the Group and the rental revenue was HK$28,198,000 for the year ended 31 July 2013 (2012: HK$24,299,000). The fair value gains on investment properties as at 31 July 2013 were HK$319,429,000.

Operations in the Mainland of China ("Mainland")

The decelerating economic momentum in the Mainland and poor consumer confidence posed a hurdle to the retail industry in general including the apparel sector. As a result, the revenue of the "Garment and Related Accessories Business" segment dropped materially. Furthermore, the gross profit margin was eroded by the steep discounting campaigns launched by the competitors for clearance of the backlog of inventories. Burden also came from the shopping malls at which the shops of the Group were operating. These shopping malls transferred their costs of promotional activities for increasing the retail traffic to their tenants and exerted a heavy pressure on the selling expenses of the "Garment and Related Accessories Business" segment of the Group. In response to these difficulties, the Group has consolidated its sales network and strengthened the sales channel management to reduce the susceptibilities to changes in retail environment and the risk of stock obsolescence.

As at 31 July 2013, there were a total of 173 shops in the Mainland (2012: 296), including self-operated shops of 81 (2012: 95) and those operated by the Group's franchisees of 92 (2012: 201).

The royalty income from licensees for the year ended 31 July 2013 was HK$51,642,000. It continued to be the Group's steady income stream and the major component of the other income.

With reference to Note 21 – "Deposits for Land Lease Prepayments" to the financial statements of the Group for the year ended 31 July 2013, the valid time bar to recover the whole amount of the land lease prepayments i.e. the Government Deposit together with the Vendor Deposit, from the Local Government was expired in February 2013. After that, whilst the Group had the right to recover the Government Deposit of approximately RMB13,822,000 (equivalent to HK$17,416,000) with interest from the Local Government, the Vendor Deposit of approximately RMB14,721,000 (equivalent to HK$18,548,000) with interest could be recovered only from the Vendor. Having assessed the recoverabilities of these two deposits, it was uncertain that the Vendor Deposit could be recovered from the Vendor in full. Accordingly, a full provision for impairment loss of the Vendor Deposit of approximately RMB14,721,000 (equivalent to HK$18,548,000) was made and, the management opined that the impairment loss was definitely incurred in the year ended 31 July 2013, in which the Group's option to recover the Vendor Deposit from the Local Government was legally expired at the end of February 2013, contrary to any opinion of the uncertainty as to whether the impairment loss, or any portion thereof, was incurred in the year ended 31 July 2012 or 2013.

Prospects

The slowdown of the GDP growth and the recent tightening of liquidity in the money market in the Mainland have exacerbated the sluggish retail market and the gloomy customer sentiment. Moreover, the Central Government's measures of curtailing extravagance have hampered the sales of high-end merchandise which take toll on the gross profit margins of the Group in the Mainland market.

The United States is expected to taper the quantitative easing off in the near future. Combining with the uncertainty on raising the national debt ceiling, the interest rate of US Dollar will go up. As Hong Kong has pegged its currency with the US Dollar, the higher the interest rates of the US Dollar will raise the borrowing costs in Hong Kong and will further dampen the consumption power in the retail sector and adversely affect the "Garment and Related Accessories Business" segment. More directly, it will exert a downside pressure on the property market and as a consequence, jeopardise the performance of the "Property Investment and Letting Business" segment which has been the significant profit contributor to the Group for the past few years.

On the other hand, the responding monetary policies to be adopted by other major economic entities, Europe, the Mainland and Japan will definitely divert the flow of global funds and intensify the volatility of the financial markets. The values of the financial assets held by the Group can possibly be fluctuated beyond expectation.

Facing the tremendous challenges ahead, the Group will pursue its strategy of building the brand image and unique brand identity of "Crocodile" for business sustainability in the long run. Optimisation of sales channels is equally important. The Group will continue to restructure its sales network in the Mainland and Hong Kong. In addition, the Group will manage its liquidity vigilantly to maintain the cash flexibility in the prevailing unpredictable financial atmosphere and grasp any new business and development opportunities.

Contingent Liabilities

As at 31 July 2013, the Group had no material contingent liabilities.

Liquidity, Financial Resources, Foreign Exchange Risk Exposure, Gearing, Charges on Assets and Capital Commitments

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The main objective is to utilise the funding efficiently and to manage the financial risks effectively.

The Group maintains a conservative approach in treasury management by constantly monitoring its interest rates and foreign exchange exposure. Except for financial assets at fair value through profit or loss, available for sale financial assets, letters of credit and trust receipt loans, the Group has not employed other financial instruments for the year ended 31 July 2013.

The Group mainly earns revenue and incurs cost in Hong Kong dollars, Renminbi and United States dollars. The Group considers the impact of foreign exchange risks is not significant as the Group will consider the foreign exchange effect of the terms of purchase and sale contracts dealt with foreign enterprises and will not bear unforeseeable foreign currency exchange risks.

Cash and cash equivalents held by the Group amounted to HK$57,569,000 as at 31 July 2013 (2012: HK$49,651,000) and were mainly denominated in Hong Kong dollars and Renminbi. The pledged bank deposits of approximately HK$4,344,000 (2012: HK$42,493,000) represent deposits pledged to banks to secure margin loans and are therefore classified as current assets. The cash and cash equivalent denominated in Renminbi as at 31 July 2013 were equivalent to HK$22,288,000 (2012: HK$24,778,000) which is not freely convertible into other currencies. However, under the Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Renminbi for other currencies in respect of approved transactions through banks authorised to conduct foreign exchange business.

As at 31 July 2013, the total outstanding borrowings including margin loans of the Group amounted to HK$460,199,000. The total outstanding borrowings comprised unsecured short-term bank trust receipt loans of HK$8,859,000, secured short-term bank trust receipt loans of HK$13,794,000, secured bank mortgage loan of HK$33,537,000, secured margin loans of HK$12,009,000, secured term bank loan of HK$297,000,000 and secured short-term bank revolving loans of HK$95,000,000. Short-term bank loans were repayable within a period not exceeding one year. The secured bank mortgage loan above was repayable by instalments with its current portion of HK$2,446,000 repayable within one year and long-term portion of HK$31,091,000 repayable in the second to fifteen years.

Interest on bank borrowings is charged at floating rates. All the bank borrowings of the Group are denominated in Hong Kong dollars and Japanese yens. No financial instruments for hedging purposes were employed by the Group for the year ended 31 July 2013.

As at 31 July 2013, the Group had mortgaged certain of its investment properties with carrying values of HK$1,261,300,000 and created floating charges on its certain assets to its bankers to secure banking facilities granted to the Group.

The Group's gearing was considered to be at a reasonable level, as the debt to equity ratio at 31 July 2013 was 32.5%, expressed as a percentage of total bank borrowings and margin loans payable to total net assets.

As at 31 July 2013, Group had the capital commitments, contracted but not provided for, in respect of the land lease payments in the Mainland of HK$4,354,000; acquisition and construction of property, plant and equipment in the Mainland of HK$2,372,000 and acquisition of available-for-sale financial asset of HK$8,266,000.

Major Investments, Acquisitions and Disposals

Except for the respective acquisitions of properties as disclosed in the Company's announcements dated 15 November 2012 and 16 April 2013, the Group had no significant investments, material acquisitions or disposals during the year ended 31 July 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

During the year ended 31 July 2013, the Company did not redeem any of its shares listed and traded on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") nor did the company or any of its subsidiaries purchase or sell any of such shares.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and code provisions set out from time to time in the Corporate Governance Code ("**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange.

The Company has complied with all the code provisions set out in the CG Code for the year ended 31 July 2013 save for the deviations from code provisions A.2.1, A.4.1 and A.5.1 as follows:

Under code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

In view of the present composition of the board of directors of the Company ("**Directors**" and "**Board**", respectively), the in-depth knowledge of the Chairman (who is also the Chief Executive Officer) of the Company's operations and the garment and fashion industry in general, his extensive business network and connections, and the scope of operations of the Company, the Board believes that it is in the best interest of the Company for Dr. Lam Kin Ming to assume the roles of both the Chairman and the Chief Executive Officer.

Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election.

None of the existing non-executive Directors ("**NEDs**") (including the independent non-executive Directors ("**INEDs**")) of the Company is appointed for a specific term. However, all Directors are subject to the retirement provisions of the Articles of Association of the Company, which require that the Directors for the time being shall retire from office by rotation once every three years since their last election by shareholders of the Company ("**Shareholders**") and the retiring Directors are eligible for re-election. In addition, any person appointed by the Board as an additional Director (including a NED) will hold office only until the next annual general meeting of the Company ("**AGM**") and will then be eligible for re-election. Further, in line with the relevant code provision of the CG Code, each of the Directors appointed to fill a casual vacancy has been/will be subject to election by the Shareholders at the first general meeting after his/her appointment. In view of these, the Board considers that such requirements are sufficient to meet the underlying objective of the said code provision A.4.1 and, therefore, does not intend to take any remedial steps in this regard.

Under code provision A.5.1 of the CG Code, a nomination committee comprising a majority of the independent non-executive directors should be established and chaired by the chairman of the board or an independent non-executive director.

The Company has not established a nomination committee whose functions are assumed by the full Board. Potential new Directors will be recruited based on their knowledge, skills, experience and expertise and the requirements of the Company at the relevant time and candidates for the INEDs must meet the independence criterion. The process of identifying and selecting appropriate candidates for consideration and approval by the Board has been, and will continue to be, carried out by the Executive Directors. As the above selection and nomination policies and procedures have already been in place and the other duties of the nomination committee as set out in the CG Code have long been performed by the full Board effectively, the Board does not consider it necessary to establish a nomination committee at the current stage.

REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company currently comprises three members, namely Messrs. Leung Shu Yin, William (Chairman), Yeung Sui Sang and Chow Bing Chiu, all being Independent Non-executive Directors. Such Committee has reviewed with the management the consolidated financial statements of the Group for the year ended 31 July 2013.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 July 2013 as set out in the Preliminary Announcement have been agreed by the Group's independent auditor, SHINEWING (HK) CPA Limited, Certified Public Accountants of Hong Kong ("**SHINEWING**"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 July 2013. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING on the preliminary announcement.

ANNUAL GENERAL MEETING

The AGM will be held on Thursday, 12 December 2013. Notice of such AGM together with the Company's Annual Report for the year ended 31 July 2013 will be published on the respective websites of the Stock Exchange and the Company and despatched to Shareholders around mid-November 2013.

By Order of the Board
Crocodile Garments Limited
Lam Kin Ming
Chairman and Chief Executive Officer

Hong Kong, 25 October 2013

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.