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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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**If you are in any doubt** as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Crocodile Garments Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s), or to the licensed securities dealer, registered institution in securities, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**PROPOSED BONUS ISSUE OF SHARES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Capitalised terms used in the lower portion of this cover page will have the same respective meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 7 of this circular.

A notice convening the EGM to be held at Crystal Rooms 1 and 2, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 25 May 2012 at 11:00 a.m. is set out on pages 8 to 10 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed herewith. If you are not able to attend the EGM or any adjournment thereof in person but wish to exercise your rights as a Shareholder, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

*This circular in both English and Chinese is available in printed form and published on the respective websites of the Company at “<http://www.crocodile.com.hk>” and Hong Kong Exchanges and Clearing Limited at “<http://www.hkexnews.hk>”.*

*The English texts of this circular, the notice of the EGM and the accompanying form of proxy will prevail over their respective Chinese texts in case of any inconsistency.*

26 April 2012

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## DEFINITIONS

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In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors;
“Bonus Issue Record Date”	Friday, 1 June 2012, being the date for ascertaining the entitlement of the Shareholders to the Bonus Shares under the Proposed Bonus Issue of Shares;
“Bonus Share(s)”	the new Shares proposed to be issued under the Proposed Bonus Issue of Shares;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Company”	Crocodile Garments Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 122);
“Directors”	the director(s) of the Company;
“EGM”	an extraordinary general meeting of the Company to be convened and held at Crystal Rooms 1 and 2, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 25 May 2012 at 11:00 a.m., the notice of which is set out on pages 8 to 10 of this circular;
“EGM Record Date”	Tuesday, 22 May 2012, being the date for determining the entitlement of the Shareholders to attend and vote at the EGM;
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	23 April 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange as amended, supplemented or otherwise modified from time to time;

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## DEFINITIONS

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“Macau”	the Macau Special Administrative Region of the PRC;
“Overseas Shareholder(s)”	the Shareholders whose addresses as shown on the Register of Members on the Bonus Issue Record Date are outside Hong Kong;
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan;
“Proposed Bonus Issue of Shares”	the proposed issue of the Bonus Shares on the basis of one Bonus Share for every two Shares in issue held on the Bonus Issue Record Date;
“Register of Members”	the register of members of the Company maintained in Hong Kong;
“Share Registrar”	the share registrar of the Company, Tricor Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong;
“Shareholder(s)”	duly registered holders of the Share(s);
“Share(s)”	the ordinary share(s) of a par value of HK\$0.25 each in the capital of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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## EXPECTED TIMETABLE

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Set out below is the expected timetable for the implementation of the Proposed Bonus Issue of Shares:

<i>Event</i>	<i>2012</i>
EGM Record Date . . . . .	Tuesday, 22 May
Latest time and date for lodging transfer documents with Share Registrar to ascertain Shareholders' entitlement to attend and vote at the EGM . . . . .	4:30 p.m. on Tuesday, 22 May
Latest time and date for lodging forms of proxy for EGM. . . . .	11:00 a.m. on Wednesday, 23 May
EGM . . . . .	11:00 a.m. on Friday, 25 May
Announcement of poll results of EGM . . . . .	Friday, 25 May
Last day of dealings in Shares on a cum-entitlements basis . . . . .	Monday, 28 May
First day of dealings in Shares on an ex-entitlements basis . . . . .	Tuesday, 29 May
Latest time and date for lodging transfer documents with Share Registrar to qualify for Shareholders' entitlement to Bonus Shares . . . . .	4:30 p.m. on Wednesday, 30 May
Closure of Register of Members . . . . .	Thursday, 31 May and Friday, 1 June
Bonus Issue Record Date . . . . .	Friday, 1 June
Allotment of Bonus Shares . . . . .	Wednesday, 6 June
Despatch of certificates for Bonus Shares . . . . .	Thursday, 7 June
Commencement of dealings in Bonus Shares . . . . .	Monday, 11 June

*Notes:*

- (a) *Dates or deadlines specified in the above expected timetable and other parts of this circular may be changed by the Company and in the event of any consequential changes, the Company will make a further announcement.*
- (b) *All references to times and dates in this circular refer to Hong Kong local times and dates.*



**Crocodile Garments Limited**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

*Executive Directors:*

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

Mr. Wan Yee Hwa, Edward

*Registered Office:*

11th Floor

Lai Sun Commercial Centre

680 Cheung Sha Wan Road

Kowloon

Hong Kong

*Non-executive Director:*

Ms. Lam Suk Ying, Diana

*Independent Non-executive Directors:*

Mr. Yeung Sui Sang

Mr. Chow Bing Chiu

Mr. Leung Shu Yin, William

26 April 2012

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

As stated in the Company's announcement dated 27 March 2012 relating to the unaudited consolidated results of the Company and its subsidiaries for the six months ended 31 January 2012, amongst other matters, the Board resolved to recommend the Proposed Bonus Issue of Shares.

The purpose of this circular is to provide the Shareholders with (a) the notice of the EGM and (b) the information regarding the ordinary resolution relating to the Proposed Bonus Issue of Shares to be proposed at the EGM to enable them to make an informed decision as to whether to vote for or against the said resolution.

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## LETTER FROM THE BOARD

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### 2. PROPOSED BONUS ISSUE OF SHARES

The Board resolved to recommend the Proposed Bonus Issue of Shares on the basis of one Bonus Share for every two Shares in issue held on the Bonus Issue Record Date. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount equal to the aggregate nominal amount of the Bonus Shares standing to the credit of the share premium account of the Company. The Bonus Shares, when issued, will rank *pari passu* in all respects with the Shares then in issue. Fractional entitlements to the Bonus Shares will not be allotted to the Shareholders. Bonus Shares representing fractional entitlements will be aggregated and sold and the sale proceeds, after deduction of related expenses, will be retained by and for the benefit of the Company.

As at the Latest Practicable Date, there were a total of 623,829,130 Shares in issue. Assuming that there will be no change in the number of Shares in issue from the Latest Practicable Date up to and including the Bonus Issue Record Date, 311,914,565 Bonus Shares will be issued under the Proposed Bonus Issue of Shares.

#### a. Conditions of the Proposed Bonus Issue of Shares

The Proposed Bonus Issue of Shares is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders approving the Proposed Bonus Issue of Shares at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Bonus Shares.

#### b. Reasons for the Proposed Bonus Issue of Shares

To celebrate the 60th anniversary of Crocodile in the apparel business, the Board has recommended the Proposed Bonus Issue of Shares as a requital to the Shareholders for their ever-lasting valuable trust and support in these decades of development.

#### c. Record dates and closure of Register of Members

To ascertain the Shareholders' entitlement to attend and vote at the EGM, all relevant transfer document(s) and share certificate(s) must be lodged with the Share Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 22 May 2012.

To determine the Shareholders' entitlement to the Bonus Shares under the Proposed Bonus Issue of Shares, the Register of Members will be closed on Thursday, 31 May 2012 and Friday, 1 June 2012 during which period no transfer of Shares will be registered. In order to qualify for the Bonus Shares, all relevant transfer document(s) and share certificate(s) must be lodged with the Share Registrar not later than 4:30 p.m. on Wednesday, 30 May 2012.

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## LETTER FROM THE BOARD

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### **d. Listing and dealing**

Application has been made to the Stock Exchange for the listing of, and the permission to deal in, the Bonus Shares. The Shares are not listed nor dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for the listing of, or the permission to deal in, the Bonus Shares on any stock exchange other than the Stock Exchange.

Subject to the fulfillment of the conditions as set out in the paragraph headed “Conditions of the Proposed Bonus Issue of Shares” above, which include the granting of the listing of, and the permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. Shareholders should seek the advice of their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests. All necessary arrangements will be made for the Bonus Shares to be admitted to the CCASS. All activities under the CCASS are subject to the general rules and the operational procedures of the CCASS in effect from time to time.

The certificates for the Bonus Shares are expected to be posted by surface mail to the Shareholders entitled thereto to their respective addresses shown on the Register of Members or, in the case of joint Shareholders, to the address of the joint Shareholder whose name stands first in the Register of Members of the joint holding at their own risk on or about Thursday, 7 June 2012. Dealings in the Bonus Shares are expected to commence on Monday, 11 June 2012.

### **e. Overseas Shareholders**

As at the Latest Practicable Date, the addresses of certain Shareholders shown on the Register of Members are outside Hong Kong.

If the Register of Members indicates on the Bonus Issue Record Date that there are Overseas Shareholders and the Directors, after having made enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relation to the Proposed Bonus Issue of Shares to the Overseas Shareholders, consider the exclusion of any Overseas Shareholders from the Proposed Bonus Issue of Shares to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, those Overseas Shareholders will not receive any Bonus Shares. Instead, the Bonus Shares which those Overseas Shareholders would otherwise receive under the Proposed Bonus Issue of Shares will be sold in the market as soon as reasonably practicable after commencement of dealings in the Bonus Shares on the Stock Exchange. Any proceeds arising from the sale of any Bonus Shares for each relevant Overseas Shareholder, after deduction of expenses, of HK\$100 or more will be paid in Hong Kong dollars to that Overseas Shareholder by ordinary post at his own risk. If the amount of the net proceeds arising from such sale is less than HK\$100, such net proceeds will be retained by and for the benefit of the Company.



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## LETTER FROM THE BOARD

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### 3. EGM AND PROXY ARRANGEMENT

A notice convening the EGM to be convened and held at Crystal Rooms 1 and 2, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 25 May 2012 at 11:00 a.m. is set out on pages 8 to 10 of this circular. An ordinary resolution will be proposed to consider and, if thought fit, to approve the Proposed Bonus Issue of Shares. A form of proxy for use by the Shareholders at the EGM is enclosed herewith.

If you are not able to attend the EGM or any adjournment thereof in person but wish to exercise your rights as a Shareholder, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, except for the resolutions relating purely to procedural or administrative matters, any vote of the Shareholders at a general meeting of the Company must be taken by way of a poll. Accordingly, the resolution to be considered and, if thought fit, passed at the EGM will be voted by way of a poll by the Shareholders. Article 80 of the articles of association of the Company provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder. An explanation of the detailed procedures of conducting a poll will be provided to the Shareholders at the EGM. The Company will publish an announcement on the poll results of the EGM on the respective websites of the Company at "<http://www.crocodile.com.hk>" and Hong Kong Exchanges and Clearing Limited at "<http://www.hkexnews.hk>" after the conclusion of the EGM.

### 4. RECOMMENDATION

The Directors are of the opinion that the Proposed Bonus Issue of Shares is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully,  
For and on behalf of the Board  
**Crocodile Garments Limited**  
**Lam Kin Ming**  
*Chairman and Chief Executive Officer*

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## NOTICE OF THE EGM

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### **Crocodile Garments Limited**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

### **NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of the members of Crocodile Garments Limited (the “**Company**”) will be held at Crystal Rooms 1 and 2, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 25 May 2012 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification the following resolution as an ordinary resolution of the Company:

#### **ORDINARY RESOLUTION**

“**THAT:**

- (A) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and the permission to deal in, the new ordinary shares of HK\$0.25 each in the share capital of the Company (the “**Shares**”) to be issued pursuant to this resolution (the “**Bonus Shares**”), and upon the recommendation of the directors of the Company (the “**Directors**”), an amount standing to the credit of the share premium account of the Company which is up to one-half of the aggregate nominal amount of the share capital of the Company in issue on Friday, 1 June 2012 or such other date as determined by the Directors (the “**Bonus Issue Record Date**”) be capitalised and the Directors be and are hereby authorised to apply such sum in paying up in full at par such number of the Bonus Shares in the share capital of the Company (which is up to one-half of the aggregate nominal amount of the share capital of the Company in issue on the Bonus Issue Record Date) to be allotted and credited as fully paid to and among the shareholders of the Company whose names appear on the register of members of the Company on the Bonus Issue Record Date on the basis of one Bonus Share for every two Shares held by such shareholders on the Bonus Issue Record Date;
- (B) the Bonus Shares to be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the existing issued Shares and that the Directors be and are hereby authorised to (i) deal with any fractional entitlements arising from the distribution by the sale of the Bonus Shares representing such fractions, (ii) retain the net proceeds by and for the benefit of the Company and (iii) settle any difficulty which may arise in regard to the Bonus Shares in such manner as the Directors may consider necessary, expedient or desirable (including without limitation, where appropriate, not to allot, issue and/or distribute the Bonus Shares to any shareholders of the Company whose addresses as shown on the register of members of the Company on the Bonus Issue Record Date are outside Hong Kong and in respect of whom the Directors consider their exclusion from the issue of the Bonus Shares to be

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## NOTICE OF THE EGM

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necessary or expedient (the “**Overseas Shareholders**”) and to arrange for such Bonus Shares which the Overseas Shareholders would otherwise receive to be sold in the market after dealings in the Bonus Shares commence, and to distribute and/or deal with the net proceeds thereof (if any) in such manner as the Directors may determine); and

- (C) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

By Order of the Board  
**Crocodile Garments Limited**  
**Kwok Siu Man**  
*Company Secretary*

Hong Kong, 26 April 2012

*Registered Office:*

11th Floor  
Lai Sun Commercial Centre  
680 Cheung Sha Wan Road  
Kowloon, Hong Kong

*Notes:*

1. A member of the Company (the “**Member**”) entitled to attend and vote at the EGM convened by the above notice (the “**Notice**”) (or any adjournment thereof) is entitled to appoint one (or, if he/she/it holds two or more Shares in the Company, more than one) proxy to attend and, on a poll, vote on his/her/its behalf in accordance with the articles of association of the Company. A proxy need not be a Member.
2. A form of proxy for use at the EGM is enclosed with this Notice.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the share registrar of the Company, Tricor Tengis Limited (the “**Share Registrar**”) at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or its adjourned meeting (as the case may be) and in default, the proxy will not be treated as valid. Completion and return of the form of proxy shall not preclude Members from attending in person and voting at the EGM or at its adjourned meeting should they so wish. In that event, the said form(s) of proxy shall be deemed to be revoked.  
  
The contact phone number of the Share Registrar is (852) 2980 1333.
4. To ascertain the entitlements to attend and vote at the EGM, Members must lodge all relevant transfer document(s) and share certificate(s) at the office of the Share Registrar not later than 4:30 p.m. on Tuesday, 22 May 2012 for registration.
5. Where there are joint registered holders of any Shares, any one of such joint holders may attend and vote at the EGM or its adjourned meeting (as the case may be), either in person or by proxy, in respect of such Shares as if he/she/it were solely entitled thereto. However, should more than one of such joint holders be present at the EGM or its adjourned meeting (as the case may be), the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose, seniority shall be determined by the order in which the names stand in the register of Members in respect of the joint holding.

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## NOTICE OF THE EGM

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6. In compliance with Rule 13.39(4) of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, voting on the resolution proposed in the Notice will be decided by way of a poll.
7. If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 9:00 a.m. and 5:00 p.m. on the date of the EGM, the EGM will be postponed and the Members will be informed of the date, time and venue of the postponed EGM by a supplementary notice posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.

If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is cancelled at or before 9:00 a.m. on the date of the EGM and where conditions permit, the EGM will be held as scheduled.

The EGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

Members should decide whether they would attend the EGM under a bad weather condition after considering their own situations and if they do so, they are advised to exercise care and caution.