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**Crocodile Garments Limited**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

## **DISCLOSEABLE TRANSACTION**

### **Acquisition of Property**

On 16 April 2013, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Assignment with the Vendor for the acquisition of the property situated at Ground Floor, Hennessy Road Court, 219 Hennessy Road, Hong Kong at a consideration of HK\$52,800,000.

As one of the Percentage Ratios exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **THE ACQUISITION**

The Board announces that on 16 April 2013, the Purchaser, a wholly-owned subsidiary of the Company, has entered into the Assignment with the Vendor for the acquisition of the Property at a consideration of HK\$52,800,000.

### **THE ASSIGNMENT**

The main particulars of the Assignment are set out below:

Date	:	16 April 2013
Parties		
(i) Purchaser	:	Keepower Limited
(ii) Vendor	:	Joint Luck Corporation Limited
Property	:	Ground Floor, Hennessy Road Court, 219 Hennessy Road, Hong Kong
Consideration	:	HK\$52,800,000

Payment : Deposits totalling HK\$5,280,000, being 10% of the consideration, have been paid to the Vendor according to the Provisional SPA.

The balance of the consideration has been paid on completion of the Acquisition.

Completion : 16 April 2013

Others : (a) Pursuant to the Provisional SPA, the Vendor has agreed to sell the Property to Group Able at HK\$52,800,000;

(b) pursuant to the Nomination, Group Able has appointed and nominated the Purchaser to enter into the Assignment; and

(c) the Purchaser has agreed to purchase the Property subject to the existing tenancy of the Property (“**Tenancy**”) with the tenant (“**Tenant**”).

(The Tenant and the Vendor have entered into the tenancy agreement dated 12 May 2011 whereby the Tenant has agreed to lease the Property for a term of three years from 17 May 2011 to 16 May 2014 (both days inclusive) at a monthly rental of HK\$88,000 (exclusive of government rent and rates, and management fees); and the Tenant has an option to renew the Tenancy for a further term of two years.)

## **INFORMATION OF THE PROPERTY**

The building which comprises the Property with a total gross floor area of about 1,170 sq. ft. was completed in 1968. The Property is currently held by the Vendor as an investment property for rental purpose.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

As the Group is principally engaged in property investment and manufacture and sale of garments, the Property will be held as an investment property for rental purpose or for self-occupation to meet the Group’s needs.

The terms and conditions of the Provisional SPA and the Assignment were normal commercial terms determined after arm’s length negotiations and by reference to the prevailing market value of similar properties in the same district. The Acquisition will be funded by internal resources and a bank loan provided to the Group.

The Directors consider that the Acquisition represents a good investment opportunity and believe that the Group will benefit from the anticipated appreciation in value of the Property while expanding the Group's portfolio of investment properties in Hong Kong.

The Directors believe that the terms of the Provisional SPA and the Assignment are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES REQUIREMENTS**

As one of the Percentage Ratios exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL INFORMATION**

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

The Vendor is a company incorporated in Hong Kong and its principal activities include property investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor, Group Able and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Property by the Purchaser at a consideration of HK\$52,800,000 in accordance with the terms and conditions of the Provisional SPA and the Assignment;
“Assignment”	the assignment in relation to the Acquisition executed by the Vendor and the Purchaser on 16 April 2013;
“Board”	the board of Directors;
“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);
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Group Able”	Group Able Limited, a company incorporated in Hong Kong with limited liability;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Macau”	the Macau Special Administrative Region of the PRC;
“Nomination”	the nomination dated 20 February 2013 from Group Able (as nominator) and the Purchaser (as beneficial owner) to the Vendor, in relation to the Provisional SPA and the Acquisition;
“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan;
“Property”	the property situated on the Ground Floor, Hennessy Road Court, 219 Hennessy Road, Hong Kong with a total gross floor area of about 1,170 sq. ft.;
“Provisional SPA”	the provisional agreement for sale and purchase dated 17 October 2012 in relation to the Acquisition and entered into between the Vendor and Group Able;
“Purchaser”	Keepower Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;
“Shareholders”	the holders of Shares;
“Shares”	the ordinary shares of a par value of HK\$0.25 each in the capital of the Company;
“sq. ft.”	square feet;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Joint Luck Corporation Limited, a company incorporated in Hong Kong; and
“%”	per cent.

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

Hong Kong, 16 April 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.*