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Profit Warning

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

The Board wishes to inform that the Group's unaudited interim results for the six months ended 31 January 2020 is expected to deteriorate greatly and record a consolidated loss attributable to owners of the Company (2019: profit of HK\$41,610,000), primarily due to the substantial losses arising from the revaluation of the Group's investment properties and the worsening performance of the garment business during the Period.

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

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

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

Based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the five months ended 31 December 2019 and information currently available, the board of directors of the Company ("**Board**") wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors that the Group's unaudited interim results for the six months ended 31 January 2020 ("**Period**") is expected to deteriorate greatly and record a consolidated loss attributable to owners of the Company (2019: profit of HK\$41,610,000).

The expected great deterioration in the Group's results for the Period is primarily due to the substantial losses arising from the revaluation of the Group's investment properties and the worsening performance of the garment business during the Period.

As the global economy ran out of steam, especially in Mainland China, and the social unrest raged in Hong Kong, after consultation with an independent qualified professional valuer not connected to the Group, it is preliminarily anticipated that there would be substantial losses arising from the revaluation of the Group's investment properties as at 31 January 2020 (2019: gains of HK\$51,262,000).

In respect of the Group's garment business, the relentless social event in Hong Kong seriously disturbed its operation as being forced to shorten opening hours or even close up shops. The tense sentiment also deterred numerous tourists from visiting Hong Kong. Worsened by the escalation of the Sino-United States trade war in most part of the Period, the absurd warm weather in the fall/winter season and the outbreak of Coronavirus during the Lunar New Year, the consumer spending ability and desire were nosediving.

The information contained in this announcement is only based on the preliminary assessment by the Group's management according to the information that is currently available and the preliminary unaudited consolidated management accounts of the Group for the five months ended 31 December 2019, which have not yet been reviewed by the Company's audit committee. Further announcement(s) in respect of the interim results will be made by the Company in compliance with Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO; and the unaudited interim results of the Group for the Period are expected to be published in late March 2020.

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

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

Hong Kong, 13 February 2020

As at the date of this announcement, the Board comprises five Executive Directors, namely Dr. Lam Kin Ming (Chairman and Chief Executive Officer), Ms. Lam Wai Shan, Vanessa (Deputy Chief Executive Officer), Dr. Lam Kin Ngok, Peter, Mr. Lam Kin Hong, Matthew and Mr. Wan Edward Yee Hwa; one Non-executive Director, namely Ms. Lam Suk Ying, Diana; and three Independent Non-executive Directors, namely Messrs. Chow Bing Chiu, Leung Shu Yin, William and Yeung Sui Sang.