Crocodile Garments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 122)

ANNOUNCEMENT

CHANGES IN DIRECTORATE

RE-DESIGNATION OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board of Directors (the "Board") of Crocodile Garments Limited (the "Company") is pleased to announce the re-designation of the position of Mr. Lam Kin Ming ("Mr. Lam") as Chairman and Chief Executive Officer with effect from 17th February, 2006.

Mr. Lam, aged 68, was appointed a director in December 1993 and elected Chairman on 25th April, 2005. He is the chairman of Lai Sun Garment (International) Limited ("LSG") (the ultimate holding company of the Company), and is also a non-executive director of Lai Sun Development Company Limited ("LSD") and eSun Holdings Limited ("eSun"), and the deputy chairman of Lai Fung Holdings Limited ("LFH"). Mr. Lam is also an alternate director to certain directors of LFH. LSG, LSD, eSun and LFH are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Lam is the elder brother of Mr. Lam Kin Ngok, Peter and Mr. Lam Kin Hong, Matthew. He is also the father of Miss Lam Wai Shan, Vanessa. He has been involved in day-to-day management in the garment business since 1958. Mr. Lam does not have any interest in the listed securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is interested in 5,008,263 shares in LSG, representing approximately 0.31% of the issued share capital of LSG. Mr. Lam has a service contract with the Company with no fixed term of service. He will be subject to retirement by rotation and will also be eligible for re-election at future annual general meetings of the Company in accordance with the provisions of the Articles of Association of the Company. Mr. Lam is currently entitled to annual emoluments of HK$4,974,024 and a discretionary bonus, to be determined by the Board with reference to the performance of the Company, duties and responsibilities of the director concerned and prevailing market conditions.

Pursuant to code provision A.2.1 of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the roles of chairman and chief executive officer of a listed company should be separate and should not be performed by the same individual. Since his election as Chairman of the Company on 25th April, 2005, Mr. Lam has also assumed management responsibilities generally undertaken by a chief executive officer. The Board considers that the re-designation of Mr. Lam's position as Chairman and Chief Executive Officer will reflect more appropriately his ongoing responsibilities. In view of the present composition of the Board, the in-depth knowledge of Mr. Lam of the operations of the Company and of the garment and fashion industry in general, his extensive business network and connections, and the scope of operations of the Company, the Board believes it is in the best interest of the Company for Mr. Lam to continue to assume the roles of Chairman and Chief Executive Officer, and that such arrangement be subject to review by the Board from time to time.

APPOINTMENT OF EXECUTIVE DIRECTOR

The Board of the Company is also pleased to announce that Miss Lam Wai Shan, Vanessa ("Miss Lam"), the Deputy Chief Executive Officer, has been appointed an Executive Director of the Company with effect from 17th February, 2006.

Miss Lam, aged 34, holds a Bachelor of Arts Degree from the Scripps College, California, USA and graduated from the Fashion Institute of Design and Merchandising in Los Angeles. Miss Lam has over 10 years of experience in the fashion industry. Prior to joining the Company in 1998, she worked for two London-based design houses — Alexander McQueen and Julien MacDonald. She is the daughter of Mr. Lam Kin Ming. Miss Lam does not have any interest in the listed securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Miss Lam has a service contract with the Company with no fixed term of service. She will be subject to retirement by rotation and will also be eligible for re-election at future annual general meetings of the Company in accordance with the provisions of the Articles of Association of the Company. Miss Lam is currently entitled to annual emoluments of HK$2,269,404 and a discretionary bonus, to be determined by the Board with reference to the performance of the Company, duties and responsibilities of the director concerned and prevailing market conditions.

Saved as disclosed in this announcement, there are no other matters that need to be brought to the attention of the shareholders of the Company.

The Board extends its warm welcome to Miss Lam.

By Order of the Board
Crocodile Garments Limited
Yeung Kam Hoi
Company Secretary

Hong Kong, 17th February, 2006

As at the date of this announcement, the executive directors of the Company are Mr. Lam Kin Ming, Mr. Lam Kin Ngok, Peter, Mr. Lam Kin Hong, Matthew and Miss Lam Wai Shan, Vanessa, the non-executive directors are Mr. Shiu Kai Wah and Mr. Chiu Wai and the independent non-executive directors are Mr. Wan Yee Hwa, Edward, Mr. Yeung Sui Sang and Mr. Chow Bing Chiu.

Please also refer to the published version of this announcement in The Standard.