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GOOD FELLOW GROUP LIMITED

金威集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 910)

ACQUISITION OF LEASEHOLD INTEREST IN A FOREST LAND

The Board is pleased to announce that on 28 June 2006, the Purchaser, a 70% owned subsidiary of the Company, and the Vendor entered into the Transfer Agreement for acquiring a leasehold forest land in the PRC at a cash consideration of RMB20,000,000. Pursuant to the Transfer Agreement, upon completion of the Acquisition, the Purchaser is entitled to exercise the Rights of the Leasehold Forest Land for a term of 20 years. Pursuant to Rule 14.04(6) of the Listing Rules, the Acquisition did not fall into any classifications of a notifiable transaction (as defined under the Listing Rules) as all relevant percentage ratios are less than 5% and therefore, the requirements of notification, publication and/or shareholders' approval under Rule 14.33 of the Listing Rules is not applicable.

The Company has noted today's increase in the price and the trading volume of the Shares and wish to advise that the Board is not aware of any reasons for such increases.

Save as disclosed herein in this announcement, the Company also confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price-sensitive nature.

THE TRANSFER AGREEMENT

- Date : 28 June 2006
- Vendor : 湖南盛泰林業發展有限公司(Hunan Shengtai Forest Development Company Limited)
- Purchaser : 北京萬富春森林資源發展有限公司(Beijing Wan Fu Chun Forest Resources Development Company Limited), a 70% owned subsidiary of the Company
- Leasehold Forest Land : Leasehold interest in Miaowan Forest Land ("廟灣林場"), at Northeast of Suining County in Hunan Province (湖南綏寧縣東北部), PRC with total land area of 2,272.3 hectares, of which mainly are planted with pine trees and the remaining are occupied by with latifoliate hardwood tree and shaw (闊葉硬柴木), mix of conifer and latifoliate hardwood (針闊混交林) and a bamboo grove. Pursuant to the Transfer Agreement, upon completion of the Acquisition, the Purchaser is entitled to exercise the Rights of the Leasehold Forest Land for a term of 20 years from 28 June 2006 to 27 June 2026.
- Consideration : RMB20,000,000

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an independent third party not connected with the Company and its connected person (as defined under the Listing Rules).

Terms of the payment

- (a) RMB5,000,000 as initial refundable deposit which was paid by the Purchaser to the Vendor upon signing of the Transfer Agreement.
- (b) RMB15,000,000 as the remaining balance of the consideration will be paid upon the completion of the Acquisition. The consideration for the Acquisition was determined after arm's length negotiations between the Vendor and the Purchaser.

Completion of the Transfer Agreement

The completion of the Acquisition is expected to be on 15 August 2006. The completion is conditional on:

- (a) The transfer of entitlement of the Rights from the Vendor to the Purchaser; and
- (b) The completion of a professional survey appraisal on the estimated volume of timber vested with the Leasehold Forest Land.

Where the appraised volume of timber vested with the Leasehold Forest Land is less than 160,000 cubic meters, the Purchaser has the sole discretion to decide whether to proceed with the Acquisition without consent from the Vendor. In the event that the Purchaser has decided to withdraw from the Acquisition, the Vendor is required to refund immediately in full the initial deposit of RMB5,000,000 paid by the Purchaser.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in design, manufacture and sale of quality men's and ladies' wear and apparel items, manufacture uniforms for government authorities, state enterprises and other corporate customers, and investment holding. In order to complement with the highly competitive apparel market, the Directors consider the diversification of business into new areas of high-growth potential will be in the best interest of its shareholders. The Company takes initiative in identifying business opportunities in new emerging industries that will broaden its revenue sources. In the second quarter of 2006, the Company has successfully diversify its business into ecology forestry business in PRC through the acquisition of 北京萬富春森林資源發展有限公司 (Beijing Wan Fu Chun Forest Resources Development Company Limited), details of such acquisition has been set out in the Company's announcement dated 20 January 2006 and circular dated 18 April 2006. The Directors consider the Acquisition would enlarge the portfolio in the Company's diversified ecology business and improve the Group's earning's base and asset quality.

The Directors are of the view that the Acquisition is in the interest of the Company and its shareholders and the terms of the Transfer Agreement are on normal commercial terms, which are fair and reasonable as far as the Shareholders are concerned.

GENERAL

Pursuant to Rule 14.04(6) of the Listing Rules, the Acquisition did not fall into any classifications of a notifiable transaction (as defined under the Listing Rules) as all relevant percentage ratios are less than 5% and therefore, the requirements of notification, publication and/or shareholders' approval under Rule 14.33 of the Listing Rules is not applicable.

The Company has noted today's increase in the price and the trading volume of the Shares and wish to advise that the Board is not aware of any reasons for such increases.

Save as disclosed herein in this announcement, the Company also confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price-sensitive nature.

As at the date of this announcement, the Directors of the Company comprises of Mr. Ng Leung Ho, Ms. Lee Ming Hin, Mr. Wang Weining, Mr. Hu Xiaming and Mr. Ge Wen Hong being the executive Directors, Mr. Ng Leung Tung being the non-executive Director, and Mr. Lo Chung Kin, Mr. Zhou Zi Ping and Mr. Zhu Jian Hong being the independent non-executive Directors.

DEFINITIONS

In this announcement, the following terms have the following meanings:

"Acquisition"	the acquisition of the Leasehold Forest Land for a term of 20 years from 28 June 2006 to 27 June 2026
"Board"	the board of Directors
"Company"	Good Fellow Group Limited, a company incorporated in Bermuda and the shares of which are listed on the Stock Exchange
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Leasehold Forest Land"	Leasehold interest in Miaowan Forest Land ("廟灣林場"), at Northeast of Suining County in Hunan Province (湖南綏寧縣東北部), PRC with total land area of 2,272.3 hectares
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China
"Purchaser"	北京萬富春森林資源發展有限公司(Beijing Wan Fu Chun Forest Resources Development Company Limited), a 70% owned subsidiary of the Company
"Rights"	林地使用權(Forest Land Use Right), 林木所有權(Forest Tree Ownership) and 林木使用權(Forest Tree Use Right) of the Leasehold Forest Land
"Shareholder(s)"	shareholders of the Company
"Shares"	shares of the Company
"Transfer Agreement"	the agreement to be entered into between the Purchaser and the Vendor for the Acquisition
"Vendor"	湖南盛泰林業發展有限公司(Hunan Shengtai Forest Development Company Limited), the Company understands is beneficially owned by certain PRC individuals not connected with the Company

By Order of the Board
Good Fellow Group Limited
Ng Leung Ho
Chairman

Hong Kong, 28 June 2006

* For identification purpose only

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