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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)

LETTER OF INTENT – COOPERATION FRAMEWORK

The Board of Directors of the Company announce that on 14 September 2006, Beijing WFC has entered into the Letter of Intent whereby the Xianyou Government will grant to Beijing WFC forest land of no less than 400,000 Chinese Mu by area and Beijing WFC will provide the genetically modified tree specie *Broussonetia payriferalvent* and technical support for plantation of the tree specie in the Xianyou county, Fujian province, the PRC.

The Proposed Cooperation is subject to, among other things, the satisfaction of the Due Diligence Review to the Company and the Formal Agreement.

THE LETTER OF INTENT

The board of directors of the Company is pleased to announce that on 14 September 2006, Beijing WFC, a 70% owned subsidiary of the Company, has entered into the Letter of Intent with the Xianyou Government for promoting the plantation in the Xianyou jurisdiction the genetically modified tree specie *Broussonetia payriferalvent*, which is a Moraceae plant under the category of Deciduous Trees and its highly resistance characteristic allow trees to grow in environments unfavorable to other plants. The favorable attributes of the tree specie brings economic efficiency and better productivity for higher land utilization and lower labour costs. The trees also facilitate the growth of soil micro-organism that may serve to improve quality of infertile land on which plantation is carried out, as well as lowering the carbon dioxide level in the surrounding atmosphere.

In accordance with the Letter of Intent, Beijing WFC will provide the genetically modified tree specie *Broussonetia payriferalvent* and technical support for plantation of the tree specie in the Xianyou county, Fujian province, the PRC; and the Xianyou Government will grant to Beijing WFC forest land of no less than 400,000 Chinese Mu by area for the plantation purpose. In addition, the Xianyou Government will grant additional land site of no less than 1,000 Chinese Mu by area for the purpose of erecting a sapling fostering site and workshop for simple operations such as bark separation and screening process. The forest land to be transferred which is being identified and has not been confirmed at this stage. However, the Xianyou Government has agreed to grant the forest land to Beijing WFC at favorable pricing terms. In addition, it was specified that the forest land to be granted by the Xianyou Government may cover land managed under its jurisdiction but not limited to land held under PRC State ownership, mass-ownership, transferable leased forest land held by farming unit; and forest land held under co-operative arrangement.

Shareholders should note that the completion of the Proposed Cooperation is subject to the satisfaction of the Due Diligence Review to the Company and the Formal Agreement. It is the common intention of the Xianyou Government and Beijing WFC to negotiate in good faith the terms of the Proposed Cooperation with a view to (i) commencing Due Diligence Review within 30 days after the date of the Letter of Intent; and (ii) reaching commercial agreement and signing the Formal Agreement no later than 90 days after the date of the Letter of Intent (the “Long Stop Date”). The Company and the Xianyou Government may extend the Long Stop Date but only upon their mutual agreement in writing. **As the Proposed Cooperation is subject to the above conditions, Shareholders and investors are advised exercise caution when dealing in the Shares.**

REASONS FOR AND BENEFITS OF THE AGREEMENT

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 diversified its business into ecology forestry business in PRC through the acquisition of Beijing WFC, details of such acquisition has been set out in the Company’s circular to Shareholders dated 18 April 2006. The Directors consider the Proposed Cooperation would enlarge the portfolio in the Company’s diversified ecology business and improve the Group’s earning’s base and asset quality.

GENERAL

This announcement is made pursuant to Rule 13.09 of the Listing Rules. Should the Proposed Cooperation constitute any notifiable transaction under Chapter 14 of the Listing Rules, a further announcement will be made by the Company in compliance with the Listing Rules.

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 Xiaoming 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:

“Beijing WFC”	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
“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
“Due Diligence Review”	a due diligence review of the financial condition, legal and other affairs of the counter party by the respective contracting party
“Formal Agreement”	any legally binding agreement that may be entered into between Beijing WFC and Xianyou Government in due course pursuant to the framework set out in the Letter of Intent
“Group”	the Company and its subsidiaries
“Letter of Intent”	letter of intent of 14 September 2006 entered into between the Company and Xianyou Government for the purpose of promoting the genetically modified tree specie <i>Broussonetia payriferalvent</i> in the Fujian province
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Proposed Cooperation”	the proposed arrangement contemplated under the Letter of Intent whereby the Xianyou Government will grant to Beijing WFC forest land of no less than 400,000 Chinese Mu by area and Beijing WFC will provide the genetically modified tree specie <i>Broussonetia payriferalvent</i> and technical support for plantation of the tree specie in the Xianyou county, Fujian province, the PRC
“Shareholder(s)”	shareholders of the Company
“Shares”	shares of the Company
“Xianyou Government”	the People’s Government of the Xianyou county, Fujian province of the PRC

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

Hong Kong, 14 September 2006

* *For identification purpose only*

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