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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)

COOPERATIVE FRAMEWORK AGREEMENT – PENGSHUI COUNTY

The Board of Directors of the Company announce that on 12 October 2006, Beijing WFC has entered into the Agreement whereby the PengShui County Forestry Bureau will transfer to Beijing WFC forest land of no less than 300,000 Chinese Mu by area for the purpose of field plantation and the establishment of a paper mulberry trees processing plant accompanying sapling fostering facilities; and Beijing WFC will provide the genetically modified tree specie *Broussonetia payriferalvent* and technical support for plantation of the tree specie in the PengShui County.

The Proposed Cooperation is subject to the Formal Agreement and the finalization of the terms and conditions thereof.

THE AGREEMENT

The Board of Directors of the Company is pleased to announce that on 12 October 2006, Beijing WFC, a 70% owned subsidiary of the Company, has entered into the Agreement with the PengShui County Forestry Bureau for promoting the plantation in the PengShui County 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 Agreement, Beijing WFC will provide the genetically modified tree specie *Broussonetia payriferalvent* and technical support for plantation of the tree specie in the PengShui County, and the PengShui County Forestry Bureau will transfer to Beijing WFC forest land of no less than 300,000 Chinese Mu by area for the purpose of field plantation and the establishment of a paper mulberry trees processing plant accompanying sapling fostering facilities. The forest land to be transferred which is being identified and has not been confirmed at this stage. However, the PengShui County Forestry Bureau has agreed to transfer the forest land to Beijing WFC at favorable pricing terms and may cover forest land held under PRC State ownership and managed under the PengShui County Forestry Bureau's jurisdiction. In addition, PengShui County Forestry Bureau will confer to Beijing WFC sufficient harvesting quota and replanting benchmark in accordance with the Forest Law in the order that sufficiently adequate land resources will be made available to Beijing WFC.

Shareholders should note that the Proposed Cooperation is subject to the Formal Agreement and the finalization of the terms and conditions thereof. It is the common intention of the PengShui County Forestry Bureau and Beijing WFC to negotiate in good faith the terms of the Proposed Cooperation with a view to reaching commercial agreement and signing the Formal Agreement no later than 90 days after the date of the Agreement. **As the Proposed Cooperation is subject to the Formal Agreement, Shareholders and investors are advised to 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 diversify 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 ecological forestry 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:

“Agreement”	the agreement of 12 October 2006 entered into between the Company and PengShui County Forestry Bureau for the purpose of promoting the genetically modified tree specie <i>Broussonetia payriferalvent</i> in the PengShui County
“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
“Forest Law”	the Forest Law of the PRC
“Formal Agreement”	any legally binding agreement that may be entered into between Beijing WFC and the PengShui County Forestry Bureau and/or affiliated parties in due course in relation to the transfer of forest land to Beijing WFC and other contractual arrangements pursuant to the Proposed Cooperation.
“Group”	the Company and its subsidiaries
“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 Agreement whereby the PengShui County Forestry Bureau will transfer to Beijing WFC forest land of no less than 300,000 Chinese Mu by area for the purpose of field plantation and the establishment of a paper mulberry trees processing plant accompanying sapling fostering facilities; and Beijing WFC will provide the genetically modified tree specie <i>Broussonetia papyrifera</i> and technical support for plantation of the tree specie in the PengShui County
“Shareholder(s)”	shareholders of the Company
“Shares”	shares of the Company
“PengShui County”	the Pengshui Miao and Tujia Autonomous County of the ChongQing City; the PRC
“PengShui County Forestry Bureau”	the Forestry Bureau of the PengShui County

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

Hong Kong, 12 October 2006

* *For identification purpose only*

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