
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Good Friend International Holdings Inc., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2398)

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Good Friend International Holdings Inc. to be held at Regus, 2nd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, on Monday 22 May 2006 at 9:30 a.m., at which, among other things, the above proposals will be considered, which set out on pages 15 to 18 of this circular.

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Good Friend International Holdings Inc.'s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

28 April 2006

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein) collectively and individually accept full responsibility for the accuracy of the information contained in this circular concerning the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held Regus, 2nd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, on Monday, 22 May 2006 at 9:30 a.m.
“Articles”	the articles of association of the Company adopted on 22 December 2005
“associates”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Capitalisation Issue”	the issues of 209,999,800 Shares upon capitalisation of HK\$2,099,998 standing to the credit of the share premium account of the Company, details of which were set out in the Prospectus
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Good Friend International Holdings Inc., a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with the Shares of up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company, i.e. 56,000,000 Shares, as at the date of passing of the relevant resolution granting such mandate and adding thereto any Shares representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the authority granted under the Repurchase Mandate
“Latest Practicable Date”	18 April 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Prospectus”	prospectus of the Company dated 30 December 2005
“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares of up to 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Share Offer”	the public offer of 7,000,000 Shares and the placing of 63,000,000 Shares, details of which have been included in the Prospectus
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$” and “cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2398)

Executive Directors:

CHU Chih-Yaung (*Chairman*)

CHEN Hsiang-Jung (*Chief Executive Officer*)

CHEN Min-Ho

WEN Chi-Tang

CHIU Rung-Hsien

Registered Office:

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

British West Indies

Independent Non-Executive Directors:

KOO Fook Sun, Louis

CHIANG Chun-Te

YU Yu-Tang

Principal Place of Business

in Hong Kong:

Unit 2, 23rd Floor

Pacific Plaza

410-8 Des Voeux Road West

Hong Kong

28 April 2006

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed to seek approval of the Shareholders in respect of, among other matters, (i) the ordinary resolutions granting to the Directors the Issue Mandate and the Repurchase Mandate; (ii) the ordinary resolution for re-electing Directors and (iii) the special resolution for certain amendments to the Articles.

LETTER FROM THE BOARD

GENERAL MANDATES

Pursuant to the written resolutions passed by the then sole shareholder of the Company on 22 December 2005, the Directors were granted (i) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue immediately following the completion of the Share Offer and the Capitalisation Issue; (ii) a general unconditional mandate to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue immediately following the completion of the Share Offer and the Capitalisation Issue; and (iii) to extend the general mandate mentioned in (i) above by an amount representing the aggregate nominal amount of the securities of the Company repurchased by the Company pursuant to the mandate to repurchase securities referred to (ii) above.

The above general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the AGM to approve the Issue Mandate and the Repurchase Mandate. The Directors wish to state that they have no immediate plan to issue any Shares or repurchase any Shares pursuant thereto. Please refer to resolutions number 4 to 6 set out in the notice of AGM on pages 15 to 18 of this circular for details of the proposed Issue Mandate and Repurchase Mandate.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to grant to the Directors the Repurchase Mandate at the AGM.

RE-ELECTION OF DIRECTORS

The Board currently consists of eight Directors, namely Messrs. Chu Chih-Yaung, Chen Hsiang-Jung, Chen Min-Ho, Wen Chi-Tang, Chiu Rung-Hsien, Koo Fook Sun, Louis, Chiang Chun-Te and Yu Yu-Tang.

Pursuant to Article 86(3) of the Articles, all the above Directors will retire and, being eligible, offer themselves for re-election at the AGM.

Details of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

AMENDMENT TO THE ARTICLES

The Stock Exchange has recently revised Appendix 3 to the Listing Rules to the effect that the issuer shall have the power by ordinary resolution in general meeting to remove any director before the expiration of his period of office. It is currently provided in the Articles that the Shareholders may at any general meeting by special resolution to remove a Director. To ensure compliance with the revised Listing Rules, the Board proposes to amend the Articles at the AGM.

LETTER FROM THE BOARD

In addition, code provision A.4.2 of the Code on Corporate Governance Practices (“**CG Code**”) in Appendix 14 to the Listing Rules provides that all directors appointed to fill a casual vacancy by the board of directors shall hold office until the first general meeting after their appointment while the Articles provides that any Director so appointed by the Board shall hold office until the next following annual general meeting. Amendment to the relevant provision of the Articles will also be proposed at the AGM so that the provisions of the Articles will be consistent with code provision A.4.2 of the CG Code.

A special resolution in relation to the above proposed amendments to the Articles will be put forth as special business at the AGM to be considered and, if thought appropriate, approved by the Shareholders. A full text of the special resolution for the proposed amendments to the Articles is contained in resolution numbered 7 in the notice of AGM set out on pages 15 to 18 of this circular.

ANNUAL GENERAL MEETING

Set out on pages 15 to 18 of this circular is the notice convening the AGM to consider and, if appropriate, to approve, amongst other things, the ordinary resolutions relating to the re-election of Directors, the Issue Mandate and the Repurchase Mandate and the special resolution for the proposed amendment to the Articles respectively.

A form of proxy for use at the AGM is enclosed herewith. If you are not able to attend and/or vote at the AGM in person, you are requested to complete the form of proxy and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by poll is required by the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (d) by a Shareholder or Shareholders present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

RECOMMENDATION

The Board considers that the ordinary resolutions and special resolution to be proposed at the AGM are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM.

GENERAL

Your attention is also drawn to the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By Order of the Board
Good Friend International Holdings Inc.
Chu Chih-Yaung
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 280,000,000 Shares. On the basis of no further new Shares will be issued or repurchased up to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 28,000,000 Shares, representing 10% of the existing issued Shares.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

Any repurchase of securities of the Company would be funded entirely from the cash flow or working capital facilities available to the Company, and will, in any event be made out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands and the Listing Rules. Such funds include, but are not limited to, profits available for distribution. Purchases may only be effected out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by its Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by its Articles and subject to the provisions of the Companies Law, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position as disclosed in the audited financial statement of the Company for the year ended 31 December 2005 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during the period from 11 January 2006 (the date of listing of the Shares on the Stock Exchange) up to the Latest Practicable Date were as follows:-

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2006		
January	1.380	1.150
February	1.330	1.150
March	1.230	1.090
April (up to the Latest Practicable Date)	1.180	1.110

7. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Cayman Islands.

8. CONNECTED PERSON

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. TAKEOVERS CODE

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, 友嘉實業股份有限公司 (Fair Friend Enterprise Company Limited) (“Taiwan FF”), the controlling shareholder of the Company, is interested in 210,000,000 Shares (representing 75% of the total issued Shares of the Company as the Latest Practicable Date). In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the interest of Taiwan FF in the Company would be increased from 75% to approximately 83.33% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. The Company has no present intention to repurchase Shares to such extent as to result in the amount of Shares held by the public being reduced to less than 25%.

10. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the period from 11 January 2006 (the date of listing of the Shares on the Stock Exchange) up to the Latest Practicable Date.

The following set out the details of the Directors who retire by rotation and, being eligible, will offer themselves for re-election at the AGM pursuant to the Article 86(3) of the Articles.

Executive Directors

Mr. Chu Chih-Yaung (朱志洋先生), aged 59, was appointed as an executive Director in September 2005 and is the Chairman of the Board. He is responsible for the Group's overall strategic planning, management, business development, and the formulation of the Group's corporate policies. Mr. Chu has more than 30 years of experience in the mechanics, manufacturing and machine tools industry. Mr. Chu graduated from 台灣省立基隆高級水產職業學校 (Provincial Keelung Marine & Fishery Senior Vocational School) in Taiwan in 1966. Mr. Chu was the 5th President of the Council for Industrial and Commercial Development (台灣工商建設研究會) in Taiwan. Mr. Chu was awarded the 11th China Youth Career Development Model by the China Youth Career Development Association (中國青年創業協會) and the 3rd Outstanding Entrepreneur Premier Award (第三屆當代傑出企業人物開拓類一尊爵獎) in Taiwan in 1996. Mr. Chu is also the director of 杭州友高精密機械有限公司 (Hangzhou Global Friend Precision Machinery Co., Ltd.) ("Global Friend") and 杭州友佳精密機械有限公司 (Hangzhou Good Friend Precision Machinery Co., Ltd.) ("Hangzhou GF"), both are wholly-owned subsidiaries of the Company. In the last three years, Mr. Chu did not hold any directorship in listed public companies.

Mr. Chu entered into a service agreement dated 22 December 2005 with the Company for an initial fixed term of three years commencing from 11 January 2006 until terminated by not less than three months' notice in writing served by either party to the other. He is entitled to an annual remuneration of RMB180,000 and a discretionary bonus which will be determined by the remuneration committee of the Company.

Mr. Chu and his relatives had approximately 36.47% of interest in Taiwan FF, which owns 75% of the attributable interest in the Company within the meaning of Part XV of the SFO. Mr. Chu's son and aunt are the only two directors of Taiwan FF.

Save as disclosed above, Mr. Chu does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Chen Hsiang-Jung (陳向榮先生), aged 60, was appointed as an executive Director of the Company in December 2005 and he is also the chief executive officer of the Company. Mr. Chen is responsible for general management of the Group. He is also a director of Hangzhou GF and Global Friend. Mr. Chen graduated from 台灣省立基隆高級水產職業學校 (Provincial Keelung Marine & Fishery Senior Vocational School) in Taiwan in 1966 and has taken up various senior positions in the Taiwan FF Group since 1983. Mr. Chen was appointed as a director of Hangzhou GF in 1993. In the last three years, Mr. Chen did not hold any directorship in listed public companies.

Mr. Chen entered into a service agreement dated 22 December 2005 with the Company for an initial fixed term of three years commencing from 11 January 2006 until terminated by not less than three months' notice in writing served by either party to the other. He is entitled to an annual remuneration of RMB180,000 and a discretionary bonus which will be determined by the remuneration committee of the Company.

Mr. Chen had approximately 3.06% of interest in Taiwan FF. He does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chen does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Chen Min-Ho (陳明河先生), aged 55, was appointed as an executive Director in December 2005. He is responsible for the overall business operation of the Group. Mr. Chen graduated from the 海軍士官學校 (Naval Petty Officers Academy) in Taiwan in 1966. From October 1979 to September 1986, he worked as the group leader of the manufacturing department at 股份 (Bearing Casting Corp.). He was the 5th council member of the Taichung Branch of the National Association of Small & Medium Enterprises (台中縣中小企業協會) from January 2002 to January 2004 and the 10th supervisor of Taichung County Industry Association (台中縣工業會) from March 2003 to March 2005. He was awarded the Labour Day Outstanding Labour Award (五一勞動節優秀勞工合給獎狀) by Taichung County Government (台中縣政府) and Outstanding Labour Award (優秀勞工特給獎狀) by Taichung County Congress Union (台中縣總工會) in 1986. Mr. Chen has more than 15 years of experience in mechanics, manufacturing and machine tools industry. He was appointed as a director of Hangzhou GF since 1993. In the last three years, Mr. Chen did not hold any directorship in listed public companies.

Mr. Chen entered into a service agreement dated 22 December 2005 with the Company for an initial fixed term of three years commencing from 11 January 2006 until terminated by not less than three months' notice in writing served by either party to the other. He is entitled to an annual remuneration of RMB144,000 and a discretionary bonus which will be determined by the remuneration committee of the Company.

Mr. Chen does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Chen does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Wen Chi-Tang (溫吉堂先生), aged 41, was appointed as an executive Director in December 2005. Mr. Wen completed the study in mechanic engineering in the National Kaohsiung Institute of Technology (國立高雄工商專科學校) in Taiwan in 1996 and obtained a degree in mechanical engineering. Mr. Wen has about 10 years of experience in the machine tools industry. He joined the Group in April 2003 and is currently the vice manager of the CNC machine tools division of Hangzhou GF. In the last three years, Mr. Wen did not hold any directorship in listed public companies.

Mr. Wen entered into a service agreement dated 22 December 2005 with the Company for an initial fixed term of three years commencing from 16 January 2006 until terminated by not less than three months' notice in writing served by either party to the other. He is entitled to an annual remuneration of RMB144,000 and an annual discretionary bonus which will be determined by the remuneration committee of the Company.

Mr. Wen does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Wen does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Chiu Rung-Hsien (邱榮賢先生), aged 48, was appointed as an executive Director in December 2005. Mr. Chiu graduated from the electric engineering division of Kwang Wu Junior College of Technology (光武工業專科學校) in Taiwan in 1978. From July 1980 to April 1989, he worked in Yungtay Engineering Co., Ltd. (永大機電工業股份有限公司) in Taiwan. Mr. Chiu is the manager of the parking garage structures division of Hangzhou GF since December 2001. In the last three years, Mr. Chiu did not hold any directorship in listed public companies.

Mr. Chiu entered into a service agreement dated 22 December 2005 with the Company for an initial fixed term of three years commencing from 11 January 2006 until terminated by not less than three months' notice in writing served by either party to the other. He is entitled to an annual remuneration of RMB144,000 and a discretionary bonus which will be determined by the remuneration committee of the Company.

Mr. Chiu does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Chiu does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Independent non-executive Directors

Mr. Koo Fook Sun, Louis (顧福身先生), aged 49, was appointed as an independent non-executive Director in December 2005. He is the founder and managing director of Hercules Capital Limited, a corporate finance advisory firm. He has more than 20 years of experience in investment banking and professional accounting. He was the managing director and head of the corporate finance department of a major international bank and a director and chief executive officer of SilverNet Group Limited (now known as Enerchina Holdings Limited), a company listed on the Main Board. Mr. Koo currently acts as an independent non-executive director of Weichai Power Co., Ltd., Li Ning Company Limited and Midland Holdings Limited, which are companies listed on the Main Board, and EVI Education Asia Limited, which is listed on the Growth Enterprise Market of the Stock Exchange. He graduated with a bachelor degree in business administration from the University of California at Berkeley in March 1980 and is a certified public accountant. Save as disclosed above, Mr. Koo did not hold any directorship in listed public companies in the last three years.

Mr. Koo entered into a service agreement dated 22 December 2005 with the Company for an initial fixed term of two years commencing from 11 January 2006 until terminated by not less than three months' notice in writing served by either party to the other. He is entitled to an annual director's fee of HK\$200,000.

Mr. Koo does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Koo does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Chiang Chun-Te (江俊德先生) aged 45, was appointed as an independent non-executive Director in December 2005. Mr. Chiang is the 14th Representative of the Delegates Committee of the Importers and Exporters Association of Taipei (台北市進出口商業同業公會會員代表大會代表) and the director of 特力和樂股份有限公司 (Hola Home Furnishings Co., Ltd.). He is also the director of 文華國際花苑有限公司 (Mandarin Florist Co.), 首席創業投資股份有限公司 (Premier Venture Capital Corp.), 首席財務管理顧問股份有限公司 (Premier Capital Management), 寶德科技股份有限公司 (Dexin Corp.) and the chairman and general manager of 德鎂實業股份有限公司 (Istra Corp.). Mr. Chiang graduated with a degree of bachelor of commerce from the University of the Witwatersrand, Johannesburg in 1986. In the last three years, Mr. Chiang did not hold any directorship in listed public companies.

Mr. Chiang entered into a service agreement dated 22 December 2005 with the Company for an initial fixed term of two years commencing from 11 January 2006 until terminated by not less than three months' notice in writing served by either party to the other. He is entitled to an annual director's fee of HK\$100,000.

Mr. Chiang does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Chiang does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Yu Yu-Tang (余玉堂先生), aged 69, was appointed as an independent non-executive Director in December 2005. He was appointed as a provincial government consultant of the Taiwan Hsin Chu County Government (台灣新竹縣政府) in May 2004. He graduated from the National Central Police University (中央警官學校) in Taiwan in January 1960 and was awarded the First Award of the National Security Bureau (國家安全局一等磐石獎章) in 2001. In the last three years, Mr. Yu did not hold any directorship in listed public companies.

Mr. Yu entered into a service agreement dated 22 December 2005 with the Company for an initial fixed term of two years commencing from 11 January 2006 until terminated by not less than three months' notice in writing served by either party to the other. He is entitled to an annual director's fee of HK\$100,000.

Mr. Yu does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Yu does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders in respect of each of the above proposed re-election of Directors.

NOTICE OF ANNUAL GENERAL MEETING

GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2398)

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of Good Friend International Holdings Inc. (the “Company”) will be held at Regus, 2nd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, on Monday, 22 May 2006 at 9:30 a.m. to transact the following businesses:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors of the Company and its subsidiaries for the year ended 31 December 2005.
2. To re-elect the Directors and to authorise the Directors to fix their remuneration.
3. To re-appoint Deloitte Touche Tohmatsu as Auditors and to authorise the Directors to fix their remuneration.
4. **“THAT:**
 - (a) subject to the following provisions of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company (the “Shares”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company; shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

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- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the directors of the Company to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

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- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”
6. **“THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 4 above be and is hereby extended by the additional thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution.”

As Special Business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

SPECIAL RESOLUTION

7. **“THAT** the Articles of Association of the Company be and are hereby amended in the following manner:
- (a) Article 86(3):

by deleting the word “annual” in the last sentence of the existing Article 86(3).
 - (b) Article 86(5)

by deleting the word “special” before the words “resolution remove a Director” in existing Article 86(5) and substituting therefor the word “ordinary”.

By Order of the Board
Good Friend International Holdings Inc.
Tse Kam Fai
Company Secretary

Hong Kong, 28 April 2006

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Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorised, and must be deposited with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at 46/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting.
4. With respect to resolution no.2 of this notice, Messrs. Chu Chih-Yaung, Chen Hsiang-Jung, Chen Min Ho, Wen Chi-Tang, Chiu Rung-Hsien, Koo Fook Sun, Louis, Chiang Chun-Te and Yu Yu-Tang shall retire from office of directorship and shall offer themselves for re-election in accordance with the Articles of Association of the Company. Details of them which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated 28 April 2006.
5. As at the date of this notice, the board of Directors of the Company consists of eight directors, Messrs. Chu Chih-Yaung, Chen Hsiang-Jung, Chen Min Ho, Wen Chi-Tang, Chiu Rung-Hsien, Koo Fook Sun, Louis, Chiang Chun-Te and Yu Yu-Tang.