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**GOLDEN RESOURCES DEVELOPMENT
INTERNATIONAL LIMITED**

金源米業國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 677)



**PROSPERITY INVESTMENT
HOLDINGS LIMITED**

嘉進投資國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 310)

JOINT ANNOUNCEMENT

**DISCLOSEABLE TRANSACTION FOR
GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED**

**VERY SUBSTANTIAL DISPOSAL FOR
PROSPERITY INVESTMENT HOLDINGS LIMITED**

**RELATING TO
DRAGON FORTUNE LTD.**

AND

DISCLOSURE PURSUANT TO RULE 13.16 OF THE LISTING RULES

AND

SUSPENSION AND RESUMPTION OF TRADING

**Financial Adviser to
Golden Resources Development International Limited
and**

Prosperity Investment Holdings Limited



Baron Capital Limited

On 28 November 2005, Rich Profits (an indirect wholly-owned subsidiary of PIH) and City Court (an indirect wholly-owned subsidiary of GRD) entered into the Sale and Purchase Agreement whereby Rich Profits has agreed to sell and City Court has agreed to acquire (i) the Sale Shares (representing approximately 18% of the issued share capital of Dragon Fortune) and (ii) the Sale Loan. The Consideration of HK\$72 million is payable in cash which comprises the consideration for the Sale Shares of approximately HK\$23.86 million and the consideration for the Sale Loan of approximately HK\$48.14 million. The Consideration is determined after arm's length negotiations with reference to the unaudited consolidated net assets value of Dragon Fortune according to the unaudited consolidated management accounts of Dragon Fortune as at 30 June 2005 prepared under Hong Kong generally accepted accounting principles and adjusted with the properties revaluation. Such Consideration represents approximately 40.56% discount to the aggregate value of (i) approximately

HK\$72.98 million, being the attributable interest of approximately 18% of the unaudited consolidated net assets value (net of minority interests) of Dragon Fortune of approximately HK\$405.43 million as at 30 June 2005; and (ii) the face value of the Sale Loan of approximately HK\$48.14 million. Pursuant to the Sale and Purchase Agreement, the Corporate Guarantees originally advanced by PIH will be transferred to GRD upon Completion.

Pursuant to the terms of the Sale and Purchase Agreement, completion of the Transactions is conditional on, amongst other things, the approval by PIH Shareholders at the SGM pursuant to Rule 14.49 of the Listing Rules which will be taken by way of poll. As the GRD Group is a party to the Transactions, GRD and its associate will be abstained from voting in the SGM voluntarily.

The terms of the Sale and Purchase Agreement were determined after arm's length negotiations and were concluded on normal commercial terms by the GRD Board and the PIH Board respectively. The GRD Board and the PIH Board consider that the Transactions and the Consideration (including the terms of the Sale and Purchase Agreement) are fair and reasonable and are in the interests of GRD and PIH and their respective shareholders as a whole.

The Transactions constitute a discloseable transaction and a very substantial disposal for GRD and PIH respectively under Chapter 14 of the Listing Rules.

For GRD, a circular containing, among other things, the detailed information regarding the Transactions will be despatched to GRD Shareholders. For PIH, a circular containing, among other things, detailed information regarding the Transactions, the accountants' report of PIH, the proforma financial information of PIH and a notice of SGM will be despatched to PIH Shareholders in accordance with the requirement under Chapter 14 of the Listing Rules.

At the request of GRD and PIH, trading in the shares of GRD and PIH on the Stock Exchange were suspended with effect from 9:30 a.m. on 29 November 2005 pending the release of this joint announcement. Applications have been made by GRD and PIH for the resumption of trading of the shares of GRD and PIH with effect from 9:30 a.m. on 7 December 2005.

TRANSACTIONS

Sale and Purchase Agreement

Date: 28 November 2005

Vendor: Rich Profits

Purchaser: City Court

Save as PIH holds approximately 5.28% issued share capital of GRD and GRD holds approximately 0.44% issued share capital of PIH, to the best of the knowledge, information and belief of GRD Board and PIH Board, having made all reasonable enquiries, Rich Profits and their respective associates, together with their ultimate beneficial owners, are third parties independent of GRD and the connected persons of GRD, whereas City Court and their respective associates, together with their ultimate beneficial owners, are third parties independent of PIH and the connected persons of PIH.

Sale Shares and Sale Loan

Sale Shares: the 10,421 shares of US\$1.00 each in the issued share capital of Dragon Fortune, representing approximately 18% of the issued share capital of Dragon Fortune

Sale Loan: the unsecured and interest-free loan of approximately HK\$48.14 million advanced by Rich Profits to Dragon Fortune

Consideration and payment terms

The Consideration is HK\$72 million which comprises the consideration for the Sale Shares of approximately HK\$23.86 million and the consideration for the Sale Loan of approximately HK\$48.14 million. The Consideration is determined after arm's length negotiations with reference to the unaudited consolidated net assets value of Dragon Fortune according to the unaudited consolidated management accounts of Dragon Fortune as at 30 June 2005 prepared under Hong Kong generally accepted accounting principles and adjusted with the properties revaluation. Such Consideration represents approximately 40.56% discount to the aggregate value of (i) approximately HK\$72.98 million, being the attributable interest of approximately 18% of the unaudited consolidated net assets value (net of minority interests) of Dragon Fortune of approximately HK\$405.43 million as at 30 June 2005; and (ii) the face value of the Sale Loan of approximately HK\$48.14 million. The Consideration and the corresponding discount were determined with reference to the minority stakes of only 18% equity interests in Dragon Fortune as represented by the Sale Shares. Upon Completion, GRD's shareholding interest in Dragon Fortune will be aggregated to 28% only. It is not uncommon for a sale of minority stake of a private company at discount since the buyer does not possess the controlling stake in such investment after the acquisition. The terms of the Sale and Purchase Agreement were determined after arm's length negotiations and were concluded on normal commercial terms by the GRD Board and the PIH Board respectively.

The Consideration will be settled in cash and will be funded by internal resources of the GRD Group. An initial consideration of HK\$10 million shall be paid to Rich Profits upon signing of the Sale and Purchase Agreement and the remaining balance of HK\$62 million will be payable to Rich Profits within 7 days after the Completion Date. As at the date of this joint announcement, the initial consideration of HK\$10 million has been received by Rich Profits.

Conditions

Completion is conditional upon, among others, fulfillment of the below conditions:

- (i) the requisite resolutions being passed by the PIH Shareholders at the SGM in compliance with Rule 14.49 of the Listing Rules which will be taken by way of poll;
- (ii) the transfer of the Sale Shares and the Sale Loan as stated in the Sale and Purchase Agreement have been duly approved in the board meeting of PIH and GRD in compliance with the Listing Rules and/or other relevant rules and/or laws; and
- (iii) all consents of the directors and/or the shareholders of Dragon Fortune and all the procedural requirements which are required for the entering into or the completion of the Sale and Purchase Agreement by Rich Profits or for the performance of its obligations in compliance with the shareholders' agreement signed between the shareholders of Dragon Fortune have been duly obtained and/or fulfilled.

In the event that any of the conditions will not have been fulfilled within two months after the signing of the Sale and Purchase Agreement (i.e. 27 January 2006), the Sale and Purchase Agreement will be terminated and cease to be of no further effect (other than the costs and expenses incidental to the preparation and execution of the Sale and Purchase Agreement) except that Rich Profits shall within three Business Days refund the sum of HK\$10 million to City Court without interest. City Court shall not be obliged to proceed with the Completion until the above conditions are fulfilled. As the GRD Group is a party to the Transactions, GRD and its associate will be abstained from voting in the SGM voluntarily.

Completion

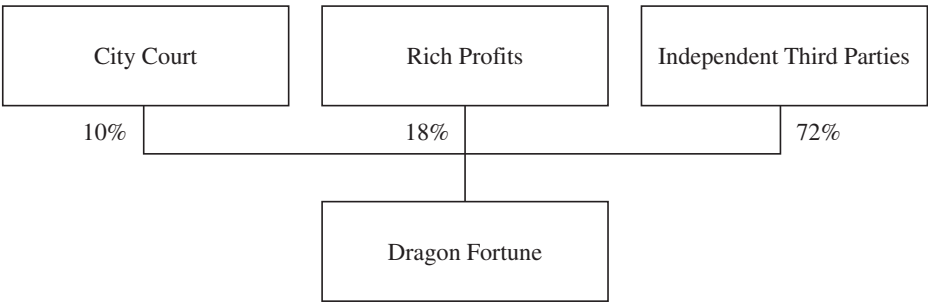
Completion is expected to take place on the third Business Day after all the conditions of the Sale and Purchase Agreement are fulfilled.

Upon completion of the Sale and Purchase Agreement, Dragon Fortune will become an associated company of GRD and Dragon Fortune will cease to become an investee company of PIH. GRD will use equity method of accounting (instead of cost method of accounting) to account for its interest in Dragon Fortune upon Completion. PIH recorded Dragon Fortune at historical investment cost prior to Completion.

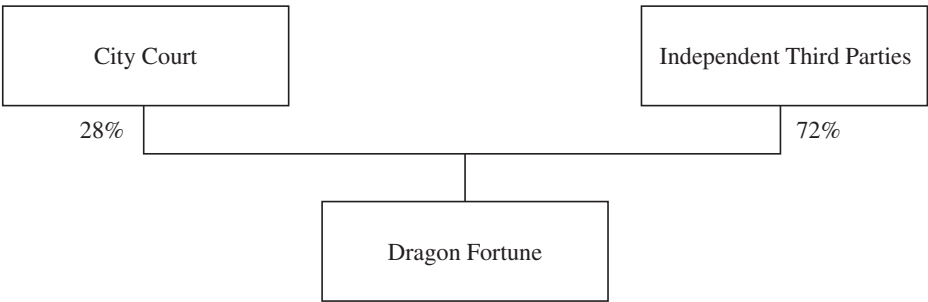
Information on Dragon Fortune

Dragon Fortune is a limited liability company incorporated in the British Virgin Islands on 28 February 1992 with its principal activity as investment holding. The subsidiaries of Dragon Fortune are principally engaged in the operation of a golf club resort in the PRC, namely “Palm Island”, and the development of golf course and real estate in Palm Island. Set out below is the shareholding structure of Dragon Fortune before and after the Transactions:

Before the Transactions:



After the Transactions:



Save as Rich Profits and City Court, there are seven shareholders in Dragon Fortune as at the date of this joint announcement. To the best of the knowledge, information and belief of the GRD Board and the PIH Board, and having made all reasonable enquiries, such shareholders that hold the balance of approximately 72% interests of Dragon Fortune are Independent Third Parties. Disposal of any interests in Dragon Fortune, is subject to among others, all consents of the directors and/or the shareholders of Dragon Fortune or for the performance of the vendors' obligations in compliance with the shareholders' agreement signed between the shareholders of Dragon Fortune have been duly obtained and/or fulfilled.

According to the unaudited consolidated management accounts of Dragon Fortune as at 30 June 2005, profit before taxation of Dragon Fortune for the year ended 30 June 2005 was approximately HK\$6,997,000 (2004: HK\$27,637,600) and the net loss for the year ended 30 June 2005 was approximately HK\$273,134 (2004: net profit of HK\$12,619,216). The unaudited consolidated management accounts of Dragon Fortune as at 30 June 2005 were adjusted with the properties revaluation performed by an independent valuer as at 30 June 2005 in order to reflect the fair value of the financial positions of Dragon Fortune. The properties held by Dragon Fortune was stated at historical cost in the financial statements prior to such revaluation. Based on the unaudited consolidated management accounts of Dragon Fortune as at 30 June 2005, the net loss and net assets value (net of minority interests) attributed to the 18% equity interest in Dragon Fortune were approximately HK\$49,164 and HK\$72.98 million respectively (2004: net profit of approximately HK\$2.27 million and net liability (net of minority interests) of approximately HK\$1.83 million).

Reasons for acquisition of Dragon Fortune by GRD

GRD is an investment holding company and its subsidiaries are principally engaged in the business of sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice, securities investment, property investment and investment holding. As at 31 March 2005, the audited consolidated net assets value of GRD was approximately HK\$883.031 million. The net loss for the year ended 31 March 2005 was approximately HK\$8.340 million and the net profit for the year ended 31 March 2004 was approximately HK\$38.026 million.

The GRD Board is constantly searching for prudent, long-term investments to reinvest its cash-flow and diversify its core rice business while adding substantial value to GRD Shareholders. In view of the rising income levels of the local population have brought to a strong demand for the leisure activities in the PRC, the GRD Board believes that the economic growth in the PRC will trigger the demand for leisure activities, which may bring more golfers to join golf club membership. In view of the potential market of the golf business in the PRC, GRD has become a shareholder of Dragon Fortune since 1992 and currently holds approximately 10% of the equity interest in Dragon Fortune. With reference to an article from the website of China Golf Association released on 18 January 2005, the number of golf amateurs in China has reached one million and will continue to increase. According to the statistics from CEIC Data Company Limited, the gross floor area of residential properties sold in Guangdong Province, the PRC in 2004 increased by approximately 19.9% over 2003 which shown an increasing demand in residential properties. The GRD Board continues to hold a favorable outlook on the growth potential of golf business, real estates and golf course in Palm Island and considers that the Transactions is an opportunity to further invest in such businesses by increasing the equity interest from approximately 10% to approximately 28% in Dragon Fortune. The GRD Board considers the terms of the Sale and Purchase Agreement and the Consideration are fair and reasonable and in the interests of GRD Shareholders as a whole.

Reasons for disposal of Dragon Fortune by PIH

The principal activity of PIH is investment holding which in turn holds equity or equity-related investments and engages in the provision of management services to the investee companies through its subsidiaries. As at 31 December 2004, the audited consolidated net assets value of PIH was approximately HK\$234.62 million (2003: HK\$236.93 million). The loss attributable to PIH Shareholders for the year ended 31 December 2004 was approximately HK\$3.78 million (2003: HK\$24.78 million). As at 30 June 2005, the unaudited consolidated net assets value of PIH was approximately HK\$243.48 million, the cash and bank balances of PIH were approximately HK\$28.04 million and the unaudited loss attributable to PIH Shareholders for the six months ended 30 June 2005 was HK\$335,400.

The PIH Board considers the Transactions provide an excellent way to realise the gain in the Sale Shares and to retain a substantial amount of cash for investing in more profitable, high-yielding investments which would provide the greatest value to the PIH Shareholders. The PIH Board expects the estimated net proceeds from the Transactions will be approximately HK\$71.50 million. The carrying value of approximately 18% interest in Dragon Fortune and the Sale Loan were approximately HK\$51.84 million (which represented the historical cost of such investment) and based on the Consideration of HK\$72 million, the disposal of Sale Shares and Sale Loan constitutes a gain of approximately HK\$20.16 million from such investment. The PIH Group's investment objective and policy is to achieve long-term capital appreciation of its assets primarily through equity and equity-related investments, particularly on investments with good growth potential; strong future profitability and good prospects; relative competitive advantage in domestic or international markets; and good management track record. As at the date of this joint announcement, there are no concrete plans to utilise the net proceeds from the Transactions but it is the intention of PIH to use approximately HK\$30 million to HK\$60 million to invest in Asian real estate fund or Real Estate Investment Trust fund. Prior to the identification of any investment opportunities in accordance with PIH investment policy, PIH will place the net proceeds on deposit for interest return with financial institutions in Hong Kong.

The Sale Shares with carrying value of approximately HK\$3.7 million and the Sale Loan of approximately HK\$48.14 million in aggregate represented approximately 20.18% of the total assets of PIH Group as at 30 June 2005. No profit or revenue has been attributed to PIH Group from Dragon Fortune prior to Completion. PIH, being an investment company listed under Chapter 21 of the Listing Rules which is still holding many other investments after the disposal of the Sale Shares and the Sale Loan, shall maintain a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets to warrant the continued listing of the PIH's shares under Rule 13.24 of the Listing Rules.

The PIH Board considers the Transactions is in the interests of PIH and PIH Shareholders as a whole and considers the terms of the Sale and Purchase Agreement and the Consideration are fair and reasonable and in the interests of PIH Shareholders as a whole.

Transfer of Corporate Guarantees and disclosure pursuant to Rule 13.16 of the Listing Rules

Dragon Fortune will become an affiliated company (as defined under the Listing Rules) of GRD upon Completion. The Sale Loan of approximately HK\$48.14 million will represent an advance to Dragon Fortune by GRD Group and together with a loan (interest-free, unsecured and repayable on demand) advanced by GRD Group to Dragon Fortune with an outstanding balance of approximately HK\$25.21 million as at the date of this joint announcement and the corporate guarantees mentioned below, will exceed 8% of the total assets and market capitalisation of GRD which constitute a disclosure obligation pursuant to Rule 13.16 of the Listing Rules.

As at the date of this joint announcement, two banking facilities of Dragon Fortune are severally guaranteed by its shareholders that aggregated to HK\$120 million and approximately HK\$77 million has been utilised as at the date of this joint announcement. The proportion of corporate guarantees advanced by GRD and PIH to Dragon Fortune are approximately HK\$13.02 million and HK\$23.43 million respectively. Pursuant to the Sale and Purchase Agreement, the Corporate Guarantees originally advanced by PIH to Dragon Fortune will be transferred to GRD upon Completion and the aggregate amount of corporate guarantees advanced by GRD to Dragon Fortune would then be approximately HK\$36.45 million.

GENERAL

The Transactions constitute a discloseable transaction and a very substantial disposal for GRD and PIH respectively under Chapter 14 of the Listing Rules.

For GRD, a circular containing, among other things, the detailed information regarding the Transactions will be despatched to GRD Shareholders. For PIH, a circular containing, among other things, detailed information regarding the Transactions, the accountants' report of PIH, the proforma financial information of the PIH and a notice of SGM will be despatched to PIH Shareholders in accordance with the requirement under Chapter 14 of the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of GRD and PIH, trading in the shares of GRD and PIH on the Stock Exchange were suspended with effect from 9:30 a.m. on 29 November 2005 pending the release of this joint announcement. Applications have been made by GRD and PIH for the resumption of trading of the shares of GRD and PIH with effect from 9:30 a.m. on 7 December 2005.

DEFINITIONS

“associate(s)”	has the meaning ascribed under the Listing Rules
“Business Day”	any day (other than Saturday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“City Court”	City Court Properties Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of GRD
“Completion”	completion of the Sale and Purchase Agreement in accordance with its terms and conditions
“Completion Date”	the third Business Day after all the conditions of the Sale and Purchase Agreement are fulfilled
“connected person(s)”	has the meaning ascribed under the Listing Rules
“Consideration”	HK\$72 million
“Corporate Guarantees”	corporate guarantee amounted to approximately HK\$23.43 million originally advanced by PIH to Dragon Fortune on two banking facilities

“Dragon Fortune”	Dragon Fortune Ltd., a company incorporated in the British Virgin Islands with limited liability
“GRD”	Golden Resources Development International Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“GRD Board”	the board of directors of GRD (including the non-executive director and independent non-executive directors of GRD)
“GRD Group”	GRD and its subsidiaries
“GRD Shareholders”	the holder of shares of GRD
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person or a company which is/are third party(ies) independent of GRD or PIH, and independent of the connected person(s) of GRD or PIH
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PIH”	Prosperity Investment Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“PIH Board”	the board of directors of PIH (including the independent non-executive directors of PIH)
“PIH Group”	PIH and its subsidiaries
“PIH Shareholders”	the holder of shares of PIH
“PRC”	the People’s Republic of China
“Rich Profits”	Rich Profits Int’l Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of PIH
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 28 November 2005 entered into between Rich Profits and City Court in respect of the sale and purchase of the Sale Shares and the Sale Loan
“Sale Loan”	the sum of HK\$48,139,674.25 due and owing by Dragon Fortune to Rich Profits which is unsecured and interest-free and will be sold and assigned to City Court under the terms of the Sale and Purchase Agreement

“Sale Shares”	the 10,421 shares of US\$1.00 each in the issued share capital of Dragon Fortune, representing approximately 18% of the issued share capital of Dragon Fortune under the Sale and Purchase Agreement
“SGM”	the special general meeting of PIH to be convened to consider and, if though fit, approve the Transactions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the sale and purchase of the Sale Shares and the Sale Loan pursuant to the Sale and Purchase Agreement dated 28 November 2005 and transfer of Corporate Guarantees
“US\$”	United States dollar, the lawful currency of United States of America
“%”	per cent.

By order of the Board
**Golden Resources Development
International Limited**
Alvin Lam Kwing Wai
Managing Director

By order of the Board
**Prosperity Investment
Holdings Limited**
Lam Wo
Chairman

Hong Kong, 6 December 2005

As at the date of this joint announcement, the GRD Board and the PIH Board comprise the following directors:

GRD Board

The executive directors of GRD are Mr. David LAM Kwing Chan (Chairman), Mr. Alvin LAM Kwing Wai (Managing Director), Madam Rosita YUEN LAM Kit Woo, Mr. Laurent LAM Kwing Chee and Mr. TSANG Siu Hung. The non-executive director of GRD is Madam LAM TSANG Suk Yee. The independent non-executive directors are Mr. Andrew LAM Ping Cheung, Mr. Leo CHAN Fai Yue and Mr. John WONG Yik Chung.

PIH Board

The executive directors of PIH are Mr. LAM Wo (Chairman) and Mr. CHEUK Yuk Lung. The independent non-executive directors are Mr. Leo CHAN Fai Yue, Mr. Ronald YAN Mou Keung and Mr. Raymond CHAN Siu Wing.

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