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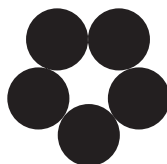
**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in Morning Star Resources Limited (the “Company”), 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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**星晨集團有限公司\***

**Morning Star Resources Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 542)**

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATE TO ISSUE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of the Company (“AGM”) to be held at Room 5, 7th Floor, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Monday, 26 May 2008 at 9:00 a.m. is set out on pages 7 to 9 of this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time of the AGM (or any adjournment thereof) to the office of the Company’s share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

30 April 2008

\* For identification purpose only

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## DEFINITIONS

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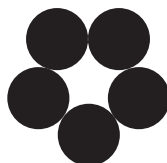
*In this circular, the following expressions have the following meanings, unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be convened on Monday, 26 May 2008 at 9:00 a.m. at Room 5, 7th Floor, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong
“AGM Notice”	the notice convening the AGM as set out on pages 7 to 9 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Morning Star Resources Limited, a company incorporated in the Cayman Islands with limited liability with its Shares listed on the Stock Exchange
“Directors”	directors of the Company
“Latest Practicable Date”	24 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	shares(s) of HK\$0.20 each in the capital of the Company
“Shareholders”	the shareholders of the Company from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## LETTER FROM THE BOARD

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**星晨集團有限公司\***

**Morning Star Resources Limited**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 542)**

*Directors:*

Tan Sri Dr. KHOO Kay Peng\* (*Chairman*)  
Mr WONG Nyen Faat (*Executive Director*)  
Mr KHET Kok Yin\*  
Mr CHEANG Yoon Hoong\*  
Mr CHAN Choung Yau\* (*also as Alternate  
Director to Mr KHET Kok Yin*)  
Mr WONG Kim Ling\*\*  
Mr OH Hong Choon\*\*  
Mr OOI Boon Leong @ LAW Weng Leun\*\*

\* *Non-Executive Directors*

\*\* *Independent Non-Executive Directors*

*Registered office:*

The Offices of Caledonian Bank  
& Trust Limited  
P.O. Box 1043  
George Town  
Grand Cayman KY1-1102  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

Unit 1803, 18th Floor  
Tower 1, Enterprise Square  
9 Sheung Yuet Road  
Kowloon Bay  
Kowloon, Hong Kong

30 April 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATE TO ISSUE SHARES  
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 at the AGM relating to (i) the re-election of retiring Directors; and (ii) the granting to the Directors of a general mandate to allot, issue and deal with Shares not exceeding 20 per cent of the Shares in the issued share capital of the Company as at the date of passing such resolution.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

According to Articles 106 and 107 of the Articles of Association, one-third or nearest to but not less than one-third of the Directors who have been longest in the office since their last election shall retire from office by rotation at each annual general meeting. A retiring director shall be eligible for re-election. Mr CHEANG Yoon Hoong and Mr WONG Kim Ling are the longest serving Directors and by lot Mr OOI Boon Leong @ LAW Weng Leun shall retire from office at the AGM. Being eligible, Mr WONG Kim Ling and Mr OOI Boon Leong @ LAW Weng Leun shall offer themselves for re-election at the forthcoming AGM. Mr CHEANG Yoon Hoong will not offer himself for re-election and will retire as a Director with effect from the conclusion of the AGM.

**Mr WONG Kim Ling**, aged 71, was appointed as an Independent Non-Executive Director of the Company on 8 September 1998. Mr WONG has more than thirty years' experience in the financial and banking fields, with thirteen years as the chief executive officer with a Malaysian bank in Hong Kong. He was also an executive director of a property company, which is a listed company in Hong Kong, for three years.

Mr WONG has no interest in the Shares of the Company pursuant to Part XV of the SFO. There is no service contract between the Company and Mr WONG. No term has been fixed or proposed for Mr WONG's length of service with the Company and he will be subject to the retirement by rotation and re-election in accordance with the Articles of Association. The fixed director's fee of Mr WONG as an Independent Non-Executive Director is HK\$10,000 per year. He is not related to any other Directors, senior management, substantial or controlling shareholders of the Company.

There is no information relating to Mr WONG that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders of the Company.

**Mr OOI Boon Leong @ LAW Weng Leun**, aged 71, was appointed as an Independent Non-Executive Director of the Company on 30 September 2004. Mr OOI is an Advocate and Solicitor and holds a Master of Arts and Master of Laws from Corpus Christi College, Cambridge University, United Kingdom. Mr OOI is an independent non-executive director of Pan Malaysian Industries Berhad and Pan Malaysia Holdings Berhad which are listed on Bursa Malaysia Securities Berhad (formerly known as Kuala Lumpur Stock Exchange). He is also an independent non-executive director of Jacks International Limited which is listed on the Singapore Exchange Securities Trading Ltd. He is also a director of Inter-Community Welfare Foundation and Malaysian Community and Education Foundation. He also holds directorships in various private limited companies.

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## LETTER FROM THE BOARD

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Mr OOI has no interest in the Shares of the Company pursuant to Part XV of the SFO. There is no service contract between the Company and Mr OOI. No term has been fixed or proposed for Mr OOI's length of service with the Company and he will be subject to the retirement by rotation and re-election in accordance with the Articles of Association. The fixed director's fee of Mr OOI as an Independent Non-Executive Director is HK\$10,000 per year. He is not related to any other Directors, senior management, substantial or controlling shareholders of the Company.

There is no information relating to Mr OOI that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders of the Company.

### **GENERAL MANDATE TO ISSUE SHARES**

It will be proposed at the AGM an ordinary resolution, which is set out in resolution No. 4 of the AGM Notice granting the Directors a general mandate to allot, issue and deal with Shares not exceeding 20 per cent of the Shares in the issued share capital of the Company as at the date of passing the resolution.

As at the Latest Practicable Date, the Company had 2,414,547,555 Shares in issue. Subject to the passing of the resolution for the approval of the general mandate, the Company would be allowed under the general mandate to allot, issue and deal with a maximum of 482,909,511 Shares.

The Directors have no immediate plans to issue any new Shares.

### **AGM**

A notice convening the AGM to be held at Room 5, 7th Floor, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Monday, 26 May 2008 at 9:00 a.m. is set out on pages 7 to 9 of this circular. Resolutions to be proposed at the AGM include:

- (i) an ordinary resolution to approve the proposed re-election of Directors; and
- (ii) an ordinary resolution to approve the proposed grant to the Directors of a general mandate to allot, issue and deal with Shares not exceeding 20 per cent of the Shares in the issued share capital of the Company as at the date of passing such resolution.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as

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## LETTER FROM THE BOARD

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soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof) to the office of the Company's share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Set out below is the procedure by which Shareholders and the chairman of any Shareholders' meeting may demand a poll pursuant to the Articles of Association:

According to Article 71 of the Articles of Association, every question submitted to a general meeting of the Company shall be determined in the first instance by a show of hands of the Shareholders present in person, but a poll may be demanded (before or upon the declaration of the result of the show of hands) by:

- (i) the chairman of the meeting; or
- (ii) not less than three Shareholders present in person or by proxy having the right to vote at the meeting; or
- (iii) a Shareholder or Shareholders present in person or by proxy representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) a Shareholder or Shareholders present in person or by proxy holding Shares 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
- (v) 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.

Unless a poll is duly demanded in accordance with the foregoing provisions, a declaration by the chairman of the meeting that a resolution has been carried or lost or has or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number, proportion or validity of the votes recorded in favour of or against such resolution.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

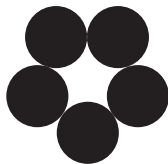
The Directors are of the opinion that all the proposed resolutions are in the best interest of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of all of the resolutions to be proposed at the AGM.

By Order of the Board  
**WONG NYEN FAAT**  
*Executive Director*

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## NOTICE OF ANNUAL GENERAL MEETING

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**星晨集團有限公司\***

**Morning Star Resources Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 542)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (“Meeting”) of Morning Star Resources Limited (the “Company”) will be held at Room 5, 7th Floor, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Monday, 26 May 2008 at 9:00 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2007.
2. To re-elect Directors.
3. To re-appoint Auditor at a remuneration to be fixed by the Directors.
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

**“THAT:**

- (a) subject to paragraph (c), 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\$0.20 each in the capital of the Company (“Shares”) and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds,

\* For identification purpose only



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## NOTICE OF ANNUAL GENERAL MEETING

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warrants 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 Shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of any rights of subscription or conversion under the terms of any warrants issued by the Company, or any securities which are otherwise convertible into Shares; (iii) an issue of Shares upon exercise of options granted under the share option scheme from time to time adopted by the Company; or (iv) an issue of Shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of dividends or similar arrangement providing for the allotment of Shares in accordance with the articles of association of the Company from time to time, shall not exceed 20 per cent 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
- (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 of the Company or any applicable law of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors of the Company to holders of Shares and/or warrants on the respective registers of

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## NOTICE OF ANNUAL GENERAL MEETING

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the Company on a fixed record date in proportion to their then holdings of such shares and/or warrants (subject to such exclusions or their 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 jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange applicable to the Company).”

By Order of the Board  
**HO Kuan Lai**  
*Joint Company Secretary*

Hong Kong, 30 April 2008

*Notes:*

1. A member of the Company entitled to attend and vote at the Meeting convened by this notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order for such appointment to be valid, the form of proxy, and, if required, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority must be deposited at the Company's Share Registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.