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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
TO REPURCHASE SHARES
AND
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
ADOPTION OF THE AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company (“AGM”) to be held at the Conference Room, 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Tuesday, 22 May 2012 at 11:30 a.m. is set out on pages 10 to 14 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.

* For identification purpose only

DEFINITIONS

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 Tuesday, 22 May 2012 at 11:30 a.m. at the Conference Room, 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong
“AGM Notice”	the notice convening the AGM as set out on pages 10 to 14 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”	13 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	shares(s) of HK\$0.01 each in the capital of the Company
“Shareholders”	the shareholders of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



星晨集團有限公司*

Morning Star Resources Limited

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

Executive Directors:

SUNG Wai Man, Peter
CHI Chi Hung, Kenneth
YEUNG Kwok Leung

Non-Executive Director:

TSO Shiu Kei, Vincent

Independent Non-Executive Directors:

CHAN Hoi Ling
SO Wai Lam
SUNG Yat Chun

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

19 April 2012

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATE TO ISSUE SHARES AND
TO REPURCHASE SHARES
AND
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
ADOPTION OF THE AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION AND 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 at the AGM relating to (i) the re-election of retiring Directors; (ii) the granting to the Directors of general mandates to allot, issue and deal with Shares and repurchase existing Shares and, subject to the passing of the resolutions approving the grant of the aforesaid general mandates, to extend the general mandate to allot, issue and deal with additional Shares by an amount not exceeding the amount

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LETTER FROM THE BOARD

of Shares purchased by the Company under the authority to repurchase; and (iii) proposed amendments to Articles of Association and adoption of the Amended and Restated Memorandum of Association and Articles of Association of the Company.

RE-ELECTION OF DIRECTORS

Pursuant to Articles 106 and 107 of the Articles of Association, at each AGM of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the AGM. Accordingly, Mr CHI Chi Hung, Kenneth, Mr YEUNG Kwok Leung and Ms CHAN Hoi Ling shall retire from office at the AGM. Being eligible, Mr CHI Chi Hung, Kenneth, Mr YEUNG Kwok Leung and Ms CHAN Hoi Ling shall offer themselves for re-election at the forthcoming AGM.

Article 109 of the Articles of Association provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company during the period commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice in writing of his intention to propose such person for election as a Director and the notice in writing executed by the nominee of his willingness to be elected must be validly served at the principal place of business of the Company at Unit 1803, 18th Floor, Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on or before 14 May 2012.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out below:

Mr CHI Chi Hung, Kenneth, aged 43, has over 20 years of experience in accounting and financial control. He holds a bachelor's degree in accountancy from the Hong Kong Polytechnic University, and was admitted as a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr CHI is currently an executive director of Hua Yi Copper Holdings Limited, China Grand Forestry Green Resources Group Limited and M Dream Inworld Limited. Mr CHI is also an independent non-executive director of ZMAY Holdings Limited, Aurum Pacific (China) Group Limited and Sam Woo Holdings Limited. He was also appointed an independent non-executive director of Interchina Holdings Company Limited, China Natural Investment Company Limited and Perfect Shape (PRC) Holdings Limited respectively in October 2011, December 2011 and February 2012. Save for the aforesaid, Mr CHI did not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years.

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Mr CHI has not been appointed for a specific length of service with the Company, but is subject to retirement and rotation in accordance with its Articles of Association. Save for being a director of the Company, Mr CHI does not have any relationship with any directors, senior management or substantial shareholders of the Company. Mr CHI does not have any interests in shares of the Company within the meaning of Part XV of the SFO. Mr CHI is entitled to the emoluments of HK\$10,000 per month, which has been determined upon the prevailing market conditions and the experience of Mr CHI.

There is no information relating to Mr CHI 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 YEUNG Kwok Leung, aged 38, holds a bachelor's degree in accountancy and has over 16 years of experience in auditing, financial controlling, accounting, corporate developments as well as business strategies. He was admitted as a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr YEUNG resigned as the executive director of China Fortune Financial Group Limited in February 2012. He was appointed an executive director of The Hong Kong Building and Loan Agency Limited in March 2012. Save for the aforesaid, Mr YEUNG did not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years.

Mr YEUNG has not been appointed for a specific length of service with the Company, but is subject to retirement and rotation in accordance with its Articles of Association. Save for being a director of the Company, Mr YEUNG does not have any relationship with any directors, senior management or substantial shareholders of the Company. Mr YEUNG does not have any interests in shares of the Company within the meaning of Part XV of the SFO. Mr YEUNG is entitled to the emoluments of HK\$10,000 per month, which has been determined upon the prevailing market conditions and the experience of Mr YEUNG.

There is no information relating to Mr YEUNG 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.

Ms CHAN Hoi Ling, aged 38, graduated from the University of South Australia with a bachelor's degree in accountancy. Ms CHAN has extensive experience in auditing and accounting. Ms CHAN was admitted as an associate member of the Hong Kong Institute of Certified Public Accountants and the Australian Society of Certified Practising Accountants. Ms CHAN is currently an independent non-executive director of M Dream Inworld Limited. Ms CHAN was an independent non-executive director of China E-Learning Group Limited. Ms CHAN was previously the executive director of Climax International Company Limited. Save for the aforesaid, Ms CHAN did not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years.

Ms CHAN's appointment has been renewed for a period commencing from 7 October 2011 to 31 December 2012. Save for being a director of the Company, Ms CHAN does not have any relationship with any directors, senior management or substantial shareholders of the Company. Ms CHAN does not

LETTER FROM THE BOARD

have any interests in shares of the Company within the meaning of Part XV of the SFO. Ms CHAN is entitled to the emoluments of HK\$5,000 per month, which has been determined upon the prevailing market conditions and the experience of Ms CHAN.

There is no information relating to Ms CHAN 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 AND TO REPURCHASE SHARES

It will be proposed at the AGM an ordinary resolution, which is set out in resolution No. 4A 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 (“Issue Mandate”).

As at the Latest Practicable Date, the Company had 1,931,638,040 Shares in issue. Subject to the passing of the resolution for the approval of the Issue Mandate, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 386,327,608 Shares.

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

It will be proposed at the AGM an ordinary resolution, which is set out in resolution No. 4B of the AGM Notice granting the Directors a general mandate to exercise the powers of the Company to repurchase Shares up to a limit of 10 per cent of the aggregate nominal amount of the Company’s issued share capital at the date of passing the resolution (the “Repurchase Mandate”).

In addition, if the resolutions approving the Issue Mandate and the Repurchase Mandate are passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with further Shares up to an amount equal to the aggregate nominal amount of the Shares purchased under the Repurchase Mandate.

An explanatory statement as required under the Listing Rules giving information regarding the Repurchase Mandate is set out in Appendix to this circular.

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

The existing Memorandum of Association and Articles of Association of the Company has been adopted since 1992 and several amendments have been made thereto subsequently to the adoption. In order to bring the Company’s Articles of Association in line with certain recent changes to the Listing Rules as well as to modernize and update the Company’s Articles of Association, certain amendments will need to be made to the Company’s existing Articles of Association. The proposed amendments will incorporate amendments including, inter alia, the minimum notice period for general meetings, the removing the 5% exemption for voting by a director on a board resolution in which he has an interest and other housekeeping amendments.

LETTER FROM THE BOARD

In view of the substantial number of amendments, the Directors would like to take this opportunity to propose that the amended and restated Memorandum of Association and Articles of Association of the Company, consolidating all the previous amendments and proposed amendments, be adopted to replace the Company's existing Memorandum of Association and Articles of Association with effect from the date of passing the relevant special resolution at the AGM.

The full text of the special resolution containing such proposed amendments and such proposed adoption is set out in the notice of AGM on pages 10 to 14 of this circular.

AGM

A notice convening the AGM to be held at the Conference Room, 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Tuesday, 22 May 2012 at 11: 30 a.m. is set out on pages 10 to 14 of this circular.

A form of proxy for use at the attend 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 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.

VOTING BY POLL AT THE AGM

Pursuant to the Listing Rule 13.39(4), any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll. The chairman of the AGM will explain the detailed procedures for conducting a poll at the commencement of the AGM.

After the conclusion of the AGM, the poll results will be published on the website of the Stock Exchange and the website of the Company at www.msr.com.hk.

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
Morning Star Resources Limited
CHI Chi Hung, Kenneth
Executive Director

The following is the explanatory statement required to be sent to Shareholders under Rule 10.06(1)(b) of the Listing Rules to provide requisite information for you to make an informed decision whether to vote for or against the resolution to approve the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,931,638,040 Shares. Subject to the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the passing of the relevant resolution at the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 193,163,804 Shares.

2. REASONS FOR REPURCHASES

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

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of Cayman Islands. A listed company may not repurchase its own shares on the main board of the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Cayman Islands law provides that the amount to be paid in connection with a Share repurchase may only be paid out of the capital paid up on the relevant purchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on a repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company. It is envisaged that the funds required for any repurchase under the Repurchase Mandate would be derived from such sources.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts of the Company for the year ended 31 December 2011 in the event that the repurchase of Shares under 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.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Price per share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
April	0.560	0.224
May	0.300	0.196
June	0.210	0.160
July	0.295	0.175
August	0.255	0.175
September	0.219	0.090
October	0.138	0.086
November	0.135	0.101
December	0.135	0.105
2012		
January	0.116	0.098
February	0.155	0.103
March	0.172	0.130
April (up to the Latest Practicable Date)	0.169	0.144

5. UNDERTAKING AND DISCLOSURE OF INTERESTS

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

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

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

6. HONG KONG CODE ON TAKEOVERS AND MERGERS

If on the exercise of the power to repurchase Shares 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, to the best of the knowledge and belief of the Directors, Mr. FONG Shing Kwong and Star Advance International Limited (together the "Concert Group") were together beneficially interested in 560,000,000 Shares, representing approximately 28.99% of the issued share capital of the Company. In the event that the Directors should exercise in full the Repurchase Mandate and if there is no other change in the issued share capital of the Company, the shareholding of the Concert Group will be increased to approximately 32.21% of the issued share capital of the Company. Accordingly, an exercise of the Repurchase Mandate in full will not result in any member of the Concert Group becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, 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.

Save as disclosed above, the Directors are not aware of any shareholder or group of shareholders of the Company acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Repurchase Mandate.

7. SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



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 the Conference Room, 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Tuesday, 22 May 2012 at 11:30 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 2011.
2. To re-elect Directors and to authorise the Board of Directors to fix their remuneration.
3. To re-appoint Auditors at a remuneration to be fixed by the Board of Directors.
4. As special business, to consider and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

A. “**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\$0.01 each in the capital of the Company (“Shares”) or securities convertible into such Shares or options or warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements and options 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 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

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

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 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).”

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (for the purpose of this resolution, “Relevant Period” shall have the same meaning as assigned to it under resolution number 4A, as set out in the notice convening this meeting) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and which is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of securities authorized to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly.”
- C. “**THAT** conditional on the passing of the resolutions set out in paragraphs 4A and 4B of the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares of the Company pursuant to the resolution set out in paragraph 4A of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate 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 the resolution set out in paragraph 4B of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”
5. As special business, to consider and, if thought fit, pass with or without amendment, the following resolutions as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT:**

- I the existing Articles of Association of the Company be amended in the following manner:
- (a) by adding the following as a new paragraph after the definition of “Board” in the Article 2:
- “business day”: business day shall mean any day on which stock exchange in Hong Kong is open for the business of dealing in securities. For the avoidance of doubt, where the stock exchange in Hong Kong is closed for the business of dealing in securities in Hong Kong on a business day by reason of a number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.
- (b) by replacing the reference to “Section 59(1)(b) of the Companies Law (Revised) Chapter 22” in the definition of “Special Resolution” in the Article 2 with “Section 60(1)(b) of the Companies Law (Revised) Chapter 22”;

NOTICE OF ANNUAL GENERAL MEETING

- (c) by adding the following as a new paragraph after the definition of “the Statutes” in the Article 2:

“Substantial Shareholder”: a person who is entitled to exercise, or control the exercise of 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.

- (d) by deleting the existing Article 60 in its entirety and substituting therefor the following new Article 60:

“60 Subject to any applicable statutes, rules and regulations from time to time, (a) at least twenty-one clear days’ notice or at least twenty clear business days’ notice (whichever is longer) of every annual general meeting; (b) at least twenty-one clear days’ notice or at least ten clear business days’ notice (whichever is longer) of every extraordinary general meeting at which it is proposed to pass a Special Resolution; and (c) in any other case, at least fourteen clear days’ notice or at least ten clear business days’ notice (whichever is longer) shall be given to all the members and to the Auditors for the time being of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and shall contain particulars of the Resolutions to be considered at such meeting; in the case of special business, the general nature of that business and such notice shall be given in manner hereinafter mentioned. Every notice of an Annual General Meeting shall specify the meeting as such and every notice of a meeting convened for passing a Special Resolution shall state the intention to propose such Resolution as a Special Resolution.”;

- (e) by deleting the first paragraph of the Article 71 in its entirety and substituting therefor the following as new first paragraph of the Article 71:

“71 Subject to any applicable statutes, rules and regulations from time to time, every question submitted to a General Meeting shall be determined in the first instance by a show of hands of the members present in person unless by way of a poll is required by the Listing Rules or (before or upon the declaration of the result of the show of hands) a poll is demanded: —”;

- (f) by deleting Article 99(B)(iv) in its entirety and then by renumbering the Article 99(B)(v) as new 99(B)(iv) and renumbering the Article 99B(vi) as new 99(B)(v) respectively;

- (g) by deleting the two paragraphs immediately after the new Article 99(B)(v); and

NOTICE OF ANNUAL GENERAL MEETING

- (h) by deleting the existing Article 126 in its entirety and substituting therefor the following new Article 126:

“126 A resolution signed by all the Directors (or their alternates) for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual as a resolution passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more Directors (or his or their alternates). A resolution transmitted by a Director (or his alternate) to the Company by telegram, telex, telecopier or other facsimile equipment shall be deemed to be a document signed by him for the purposes of this Article. Notwithstanding the foregoing, a resolution in writing should not be passed in lieu of of a meeting of the Board for the purposes of considering any matter or business in which a Substantial Shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”; and

- II the amended and restated Memorandum of Association and Articles of Association of the Company having consolidated all previous amendments passed by the shareholders of the Company at general meetings and the proposed amendments referred to in the above and in the form produced to the meeting, a copy of which has been produced to this meeting and marked “A” and initialed by the chairman of this meeting for the purpose of identification, be approved and adopted in substitution for and to the exclusion of all the existing Company’s Memorandum of Association and Articles of Association with immediate effect after the close of this Meeting and that directors of the Company be and are hereby authorized to do all things necessary to implement the adoption thereof.”

By Order of the Board
Morning Star Resources Limited
CHI Chi Hung, Kenneth
Executive Director

Hong Kong, 19 April 2012

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.
3. In relation to the proposed resolution numbered 4B above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase the securities of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the circular despatched to the shareholders of the Company on the date hereof.