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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)

(Company's website : www.msr.com.hk)

DISCLOSEABLE TRANSACTION

SUBSCRIPTION FOR SHARES IN OASIS MEZZANINE FUNDING LIMITED

The Board wishes to announce that on 13 June 2007, the Company, through MS Hotel Investments, subscribed for 78,000 shares of HK\$500 each in OMF at a total consideration of US\$5,000,000 (equivalent to HK\$39,100,000), representing approximately 11.10% of the entire issued share capital of OMF immediately after the subscription.

As the relevant percentage ratios (as defined in the Listing Rules) for the subscription are in excess of 5% but less than 25%, the subscription constitutes a discloseable transaction for the Company under the Listing Rules. Due to an inadvertent oversight by the Company, the Company failed to comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules in a timely manner which has constituted a breach of the Listing Rules.

A circular in relation to the subscription will be dispatched to the Shareholders as soon as practicable.

INTRODUCTION

The Board wishes to announce that on 13 June 2007, the Company, through MS Hotel Investments, subscribed for 78,000 shares of HK\$500 each in OMF at a total consideration of US\$5,000,000 (equivalent to HK\$39,100,000), representing approximately 11.10% of the entire issued share capital of OMF immediately after the subscription.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, (i) no connected person of the Company was involved in the subscription and (ii) OMF and its beneficial owners were not connected persons of the Company.

CONSIDERATION

The total consideration of the subscription is a sum of US\$5,000,000 (equivalent to HK\$39,100,000) which has been satisfied by the Company in cash from its internal resources. The value of the consideration is determined by reference to the nominal value of 78,000 shares of HK\$500 each in OMF.

REASONS FOR THE SUBSCRIPTION

The Directors have been exploring opportunities to make strategic investments for the MSRL Group in order to enhance Shareholders' value. Based on the investment indicative term sheet and as mentioned in the next section "INFORMATION ON OMF" on the investment activities of OMF, the indicative returns to OMF from this subscription of shares would be as follows:

- A coupon rate of 9.5% for investment in redeemable convertible bonds to be issued by OHKA; and
- A 12% loan interest rate for investment in mezzanine loan to OGII.

As the MSRL Group is involved in the travel industry, the Board was of the view that the investment in OMF was a good investment opportunity and would enable the MSRL Group to capitalise on the growth in the airline and travel industries. The airline and travel industries are synergistic with each other and the investment provided an opportunity for the MSRL Group to expand its travel business.

The Directors (including the Independent Non-Executive Directors) of the Company are of the opinion that the subscription is on normal commercial terms, fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

The subscription has been classified as a non-current asset and shown in "available-for-sale financial assets" on the consolidated balance sheet of the Company in its interim and final results for the year ended 31 December 2007.

INFORMATION ON OMF

OMF is incorporated in Hong Kong on 4 January 2007 as an investment company. According to the investment indicative term sheet, the principal activities of OMF include (i) investment in equity interests in Oasis Hong Kong Airlines Limited ("OHKA", an international passenger carrier); (ii) investment in redeemable convertible bonds to be issued by OHKA; and (iii) investment in mezzanine loan to Oasis Growth

and Income Investments Limited (“OGII”, an aircraft leasing and asset holding company).

Based on the latest information available, (i) OGII holds approximately 11.92% of equity interests of OHKA and OMF holds approximately 1.84% of equity interests of OHKA; (ii) the amount of investment by OMF in OHKA is HK\$47,781,805 and the amount of loan provided by OMF to OGII is HK\$331,907,398; (iii) OMF did not invest in OGII; (iv) OHKA has issued convertible bonds to a few parties but OMF and the Company did not subscribe for any of such bonds.

As OMF was incorporated in January 2007, presently, only the draft management accounts of OMF are available. Based on the draft management accounts of OMF for the five months period ended 31 May 2007, (i) the unaudited profit before taxation was HK\$3,152,632 and the unaudited net profit after taxation was HK\$2,600,922; (ii) the unaudited net asset value of OMF as at 31 May 2007 was HK\$315,576,632. According to OMF, the draft management accounts of OMF have been prepared in accordance with the applicable Hong Kong Accounting Standards.

INFORMATION ON THE MSRL GROUP

The principal activities of the Company consist of investment holding and the provision of management services. The subsidiaries of the MSRL Group are mainly engaged in the provision of travel and travel related services, property development, property agency services, hotel investment and hotel management services, financial services, securities broking and investments.

LISTING RULES IMPLICATION

As the relevant percentage ratios for the subscription are in excess of 5% but less than 25%, the acquisition constitutes a discloseable transaction of the Company under the Listing Rules. Due to an inadvertent oversight by the Company, the Company failed to comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules in a timely manner which has constituted a breach of the Listing Rules. The Company has appointed a Joint Company Secretary on 18 April 2008 and this would strengthen the Company’s efforts to ensure that the requirements of the Listing Rules are complied with on a timely basis by the Company.

A circular in relation to the subscription will be dispatched to the Shareholders as soon as practicable.

ADDITIONAL INFORMATION

It was reported on 9 April 2008 that OHKA and OGII had voluntarily applied to the Hong Kong court for provisional liquidation. On the basis of prudence, the Company has already made provision for impairment loss amounting to HK\$15.6 million for its investment in OMF to better reflect the fair value of the investment in OMF in the Company’s final results for the year ended 31 December 2007.

Based on the latest information available, approximately 87% of OMF's assets are loans to OGII while the remaining 13% are investments in and loans to OHKA.

As the provisional liquidators of OGII are still assessing the financial position of OGII, the Company deems it inappropriate to comment on the probability of the recoverability of the loan provided by OMF to OGII at this point of time.

Nevertheless, the Company, after considering various aspects, including the aforesaid asset portfolio of OMF, on-going efforts of rescue for OHKA and asset-backed business nature of OGII, has made an impairment of 40% or HK\$15.6 million of the total value of investment in OMF. The Company considers the 40% impairment reasonably sufficient for the time being pending further developments of OHKA and OGII.

DEFINITIONS

In this announcement, capitalized terms used herein shall have the following meanings:-

“Board”	the board of Directors
“Company”	Morning Star Resources Limited, a company incorporated in the Cayman Islands with limited liability and its shares are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“MSRL Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MS Hotel Investments”	Morning Star Hotel Investments Limited, a company incorporated in the Cayman Islands with limited liability, a wholly-owned subsidiary of the Company
“OMF”	Oasis Mezzanine Funding Limited, a company incorporated in Hong Kong with limited liability
“Shares”	ordinary shares of HK\$0.20 each in the issued share capital of the Company
“Shareholders”	holders of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States Dollar, the lawful currency of the United States of America
“%”	per cent

For the purpose of this announcement, all amounts in US\$ are translated into HK\$ at an approximate exchange rate of US\$1 : HK\$7.82 unless otherwise stated.

By order of the Board
HO KUAN LAI
Joint Company Secretary

Hong Kong, 24 April 2008

As at the date of this announcement, the Executive Director of the Company is Mr WONG Nyen Faat; the Non-Executive Directors are Tan Sri Dr. KHOO Kay Peng (Chairman), Mr KHET Kok Yin, Mr CHEANG Yoon Hoong and Mr CHAN Choung Yau (also as an Alternate Director to Mr KHET Kok Yin); and the Independent Non-Executive Directors are Mr WONG Kim Ling, Mr OOI Boon Leong @ LAW Weng Leun and Mr OH Hong Choon.

**For identification purpose only*