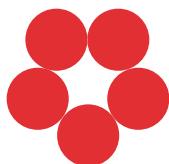


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星晨集團有限公司*

Morning Star Resources Limited

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

**DISCLOSEABLE TRANSACTION
DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL IN
MORNING STAR SECURITIES LIMITED**

The Board announces that, on 3 December 2010, Morning Star Financial Services Limited and Pool Heng Nominees Limited, each a wholly-owned subsidiary of the Company and as the Vendors, entered into the Agreement with VMS Investment Group Limited as the Purchaser to dispose the entire issued share capital of Morning Star Securities Limited at the Consideration.

Since one of the applicable percentage ratios under the Listing Rules in respect of the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

THE AGREEMENT

Date: 3 December 2010

Vendors: Morning Star Financial Services Limited, a direct wholly-owned subsidiary of the Company which holds 93.33% interest in the share capital of MSSL

Pool Heng Nominees Limited, an indirect wholly-owned subsidiary of the Company which holds 6.67% interest in the share capital of MSSL

Purchaser: VMS Investment Group Limited

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, (i) the Purchaser and its ultimate beneficial owner are independent third parties of the Company and its connected persons (as defined under the Listing Rules); and (ii) the Group had no prior transaction with the Purchaser during the 12 months immediately prior to the date of the Agreement which should be aggregated with the Disposal under Rule 14.22 of the Listing Rules.

Asset to be disposed of: The entire issued share capital of MSSL

Consideration

The Consideration shall be the Net Asset Value plus the Premium. The Consideration shall be paid by the Purchaser to the Vendors in the following manner:

- (a) an amount of HK\$500,000.00 being the Deposit payable on the signing of the Agreement;
- (b) an amount being the Consideration minus the Deposit and minus the Premium within 10 Business Days after the Completion Date provided that the Vendors shall cause the Completion Accounts to be provided to the Purchaser within 8 Business Days after the Completion Date, failing which the aforesaid amount shall be paid by the Purchaser within 2 Business Days after its receipt of the Completion Accounts from the Vendors; and
- (c) an amount of HK\$3,000,000.00 being the Premium payable within 3 Business Days after the expiry of six months from the Completion Date.

The Consideration was determined after arm's length negotiation between the Vendors and the Purchaser based on normal commercial term. The proceeds from the Disposal will be used for general working capital of the Group.

Conditions Precedent

The Completion is conditional upon and subject to the fulfillment of certain conditions precedent as set out in the Agreement including, amongst other things:

- (a) the application, notification and/or approval in relation to the change of substantial shareholder (as defined under the SFO) of MSSL having been made to the SFC by the Purchaser and the SFC's conclusive positive reply thereto having been obtained, and all other approvals, consents and authorizations of the SFC and other authorities or bodies having been obtained for the Purchaser to conduct the business of MSSL in the Regulated Activities after Completion; and
- (b) all the relevant third-party waivers, consents and approvals (including but not limited to waivers, consents and approvals of creditors of MSSL and the Vendors' obligation to serve notice on such creditors (if applicable) in respect of the Disposal under the Agreement having been obtained and fulfilled.

Completion

Upon fulfillment of the conditions precedent as set out in the Agreement, Completion shall take place on the Completion Date. Upon Completion, the Company ceases to hold any interest in MSSL.

INFORMATION ON MSSL

MSSL is a company incorporated in Hong Kong and is a wholly-owned subsidiary of MSFSL. It is principally engaged in securities broking and trading business. It is a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO. It is a major subsidiary under the financial services division of the Group. For the six months ended 30 June 2010, the turnover of the financial services division of the Group was approximately HK\$0.7 million which was the same level of turnover recorded for the corresponding period in 2009. However, the operating loss for the division was approximately HK\$0.3 million compared to HK\$0.05 million for the corresponding period in 2009.

INFORMATION ON THE COMPANY

The Company is an investment holding company listed on the Main Board. The Group is principally engaged in provision of travel and travel related services, property development, financial services and securities broking.

PURPOSE OF THE DISPOSAL

The Board noted that the core business of the Company in the last few years was travel and travel-related services. The contribution of its financial services division of which MSSL is a major component is meager in terms of the Group's total turnover and operating results. New resources would have to be put in for any development and expansion of the business of MSSL. The Board considered that relinquish of the ownership and management of MSSL to the Purchaser who is interested in financial services and securities broking and developing the businesses of MSSL would bode well for all the stakeholders of MSSL, the Company and the Purchaser since the Company could concentrate its internal resources and apply it in pursuit of the Company's plan to penetrate and strengthen its position in the travel industry, which is in the best interest of the Company and its shareholders. The Board considered that the financial position of the Group would be further enhanced with the disposal of the Group's interest in MSSL at the Consideration in cash and such disposal would provide funding for the Company in any investments and acquisitions in the future.

The Directors considered that the terms and conditions of the Agreement including the Consideration was fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios under the Listing Rules in respect of the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

DEFINITIONS

“Accounts Date”	means 31 October 2010
“Agreement”	the sale and purchase agreement dated 3 December 2010 entered into by MSFSL and PHNL as the Vendors and VMS as the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, public or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Morning Star Resources Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board
“Completion”	completion of the Disposal
“Completion Accounts”	the audited and/or unaudited balance sheet(s) of MSSL covering the period from the day immediately after the Accounts Date to the Completion Date and the audited and/or unaudited profit and loss account(s) of MSSL covering the period from the day immediately after the Accounts Date to the Completion Date
“Completion Date”	28 February 2011 or the last day of the month in which the conditions precedent pursuant to the Agreement are fulfilled or otherwise waived provided that if such last day is not a Business Day, then immediately following Business Day, whichever is earlier (or such later date as may be agreed in writing by the parties to the Agreement prior to Completion)
“Consideration”	the consideration for the Disposal shall be the Net Asset Value plus the Premium
“Deposit”	a deposit payable by the Purchaser to the Vendors or the Vendors’ direction in the amount of HK\$500,000.00 payable on the signing of the Agreement
“Directors”	the director(s) of the Company

“Disposal”	the disposal of the entire issued share capital in MSSL by the Vendors to the Purchaser pursuant to the Agreement
“Group”	the Company and its subsidiaries
“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
“Main Board”	the Main Board of the Stock Exchange
“MSFSL”	Morning Star Financial Services Limited, a direct wholly-owned subsidiary of the Company and is a company incorporated in Hong Kong with limited liability
“MSSL”	Morning Star Securities Limited, an indirect wholly-owned subsidiary of the Company and is a company incorporated in Hong Kong with limited liability
“Net Asset Value”	means the net asset value of MSSL, to be mutually agreed upon between the Vendors and the Purchaser based on the management accounts of MSSL, which covers from the day immediately after the Accounts Date to the Completion Date and prepared under generally accepted accounting principles in Hong Kong
“PHNL”	Pool Heng Nominees Limited, an indirect wholly-owned subsidiary of the Company and is a company incorporated in Hong Kong with limited liability
“Premium”	means HK\$3,000,000.00
“Regulated Activities”	the activities which MSSL is currently licensed to conduct its business in which include type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) under the SFO
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“VMS”

VMS Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability

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

Hong Kong, 3 December 2010

As at the date of this announcement, the executive Directors are Mr. SUNG Wai Man, Peter, Mr. CHI Chi Hung, Kenneth and Mr. YEUNG Kwok Leung; the non-executive Director is Mr. TSO Shiu Kei, Vincent; and the independent non-executive Directors are Ms. SO Wai Lam, Ms. CHAN Hoi Ling and Mr. SUNG Yat Chun.

* *For identification purpose only*