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PetroAsian Energy Holdings Limited

中亞能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 850)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

The Board is pleased to announce that on 30 June 2015, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Preliminary Sale and Purchase Agreement in relation to the Acquisition of Property at the consideration of HK\$88,704,000 with the Vendor.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Acquisition of Property constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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PRELIMINARY SALE AND PURCHASE AGREEMENT

Principal terms of the Preliminary Sale and Purchase Agreement are summarized as follows:–

Date: 30 June 2015

Purchaser: Hai Tai Limited, an indirectly wholly-owned subsidiary of the Company

Vendor: Mayble Holdings Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s), is not a connected person of the Company and is an Independent Third Party.

Property: Unit Nos. 11, 12, 13, 14 on 8th Floor, Wing On Plaza, No. 62 Mody Road, Kowloon, Hong Kong

Consideration: HK\$88,704,000

The above consideration, which will be funded by the Group's internal resources and/or external financing, was arrived at after arm's length negotiation between the Purchaser and the Vendor and was determined by the prevailing market value of similar properties in the same district.

Payment:

- (i) Initial deposit of HK\$4,000,000 has been paid to the Vendor upon signing of the Preliminary Sale and Purchase Agreement.
- (ii) Further deposit of HK\$13,740,800 will be paid to the Vendor on or before 17 July 2015.
- (iii) The remaining balance of HK\$70,963,200 will be paid to the Vendor on completion.

Formal sale and purchase agreement:	A formal sale and purchase agreement shall be entered into between the Purchaser and the Vendor on or before 17 July 2015. In the event the formal sale and purchase agreement is not entered into, the Preliminary Sale and Purchase Agreement constitutes a binding agreement between the Purchaser and the Vendor.
Possession of Property upon Completion:	The Purchaser agrees to purchase Unit No. 11 and 12 of the Property subject to the existing tenancy. Vacant possession of Unit No. 13 and 14 of the Property shall be delivered upon completion.
Completion:	Completion shall take place on or before 30 December 2015.

INFORMATION OF THE PROPERTY

The Property comprises of four office units with a gross floor area of approximately 5,544 square feet and saleable area of approximately 4,428 square feet which was acquired by the Vendor in August 2010 at a total consideration of HK\$42,800,000.

Unit Nos.11 and 12 of the Property are currently leased to an Independent Third Party under a tenancy agreement dated 24 December 2014 and with a term of two years commencing from 1 January 2015 at a monthly rental of HK\$124,880 (exclusive of Government Rates and management fees). Vacant possession of Unit Nos.13 and 14 shall be delivered on completion.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF PROPERTY

The Property is situated at the prime location of Tsim Sha Tsui, a core commercial district of Kowloon.

The purchase of the Property will be for use as office premises of the Group. The units which are subject to tenancy will also be used as office premises of the Group upon expiry of the existing tenancy. The Company is currently using leased property as office. The Company intends to move the office to the Property upon completion. The Directors consider that the Acquisition of Property can save the Group's rental expenses in the long run.

The Board believes that the terms of the Preliminary Sale and Purchase Agreement are fair and reasonable and the Acquisition of Property is in the interests of the Company and the Shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Acquisition of Property constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition of Property”	the acquisition of the Property by the Purchaser at a consideration of HK\$88,704,000 pursuant to the terms and conditions of the Preliminary Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors from time to time
“Company”	PetroAsian Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company

“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property at Unit Nos. 11, 12, 13, 14 on 8th Floor, Wing On Plaza, No. 62 Mody Road, Kowloon, Hong Kong
“Preliminary Sale and Purchase Agreement”	the preliminary agreement for sale and purchase dated 30 June 2015 entered into between the Vendor and the Purchaser for the sale and purchase of the Property
“Purchaser”	Hai Tai Limited, an indirectly wholly-owned subsidiary of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mayble Holdings Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” percentage

By order of the Board
PetroAsian Energy Holdings Limited
Poon Sum
Honorary Chairman

Hong Kong, 30 June 2015

As at the date of this announcement, the Board comprises (i) three executive directors, namely Mr. Poon Sum, Mr. Wong Kwok Leung and Mr. Poon Wai Kong; (ii) one non-executive director, namely Mr. Zaid Latif; and (iii) three independent non-executive directors, namely Mr. Chan Kam Ching, Paul, Mr. Chan Shu Kin and Mr. Cheung Kwan Hung.