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*This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of PetroAsian Energy Holdings Limited or Mobile Telecom Network (Holdings) Limited.*



**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 and warrant code: 344)**

**China Oil Resources Group Limited**

中油資源集團有限公司

*(Incorporated in the British Virgin Islands with limited liability)*

**Financial Adviser to**

**PetroAsian Energy Holdings Limited  
and China Oil Resources Group Limited**



TAIFOOK CAPITAL LIMITED



**MOBILE TELECOM NETWORK (HOLDINGS) LIMITED**

流動電訊網絡(控股)有限公司\*

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

**(Stock code: 8266)**

**Financial Adviser to**

**Mobile Telecom Network (Holdings) Limited**

**ASIA VEST PARTNERS**

Asia Vest Partners Limited

## **JOINT ANNOUNCEMENT**

**(1) ACQUISITION OF SALE SHARES IN  
MOBILE TELECOM NETWORK (HOLDINGS) LIMITED  
BY CHINA OIL RESOURCES GROUP LIMITED,  
A DIRECT WHOLLY-OWNED SUBSIDIARY OF  
PETROASIAN ENERGY HOLDINGS LIMITED;**

**(2) MANDATORY CONDITIONAL CASH OFFERS BY  
TAIFOOK SECURITIES COMPANY LIMITED**



TAIFOOK SECURITIES CO. LTD.

**FOR AND ON BEHALF OF  
CHINA OIL RESOURCES GROUP LIMITED  
FOR ALL THE ISSUED SHARES AND  
FOR CANCELLATION OF ALL OUTSTANDING SHARE OPTIONS OF  
MOBILE TELECOM NETWORK (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
BY CHINA OIL RESOURCES GROUP LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT);**

**(3) DISCLOSEABLE TRANSACTION FOR  
PETROASIAN ENERGY HOLDINGS LIMITED  
IN RESPECT OF (1) AND (2) ABOVE TOGETHER;**

**AND**

**(4) RESUMPTION OF TRADING IN THE SHARES AND WARRANTS OF  
PETROASIAN ENERGY HOLDINGS LIMITED AND THE SHARES OF  
MOBILE TELECOM NETWORK (HOLDINGS) LIMITED**

\* For identification purpose only

## **THE S&P AGREEMENT**

Pursuant to the S&P Agreement dated 22 April 2010 entered into among the Offeror, the Vendor and Dr. Chan, the Vendor agreed to sell and the Offeror agreed to acquire 177,785,861 Shares, representing approximately 37.55% of the entire issued share capital of the Company as at the date of this joint announcement. The consideration for the Sale Shares is HK\$35,557,172.2 (equivalent to HK\$0.2 per Sale Share) which was agreed between the Offeror and the Vendor after arm's length negotiations. Completion of the S&P Agreement took place immediately after the signing of the Agreement and the consideration for the Sale Shares was paid by the Offeror to the Vendor in cash upon Completion.

## **MANDATORY CONDITIONAL CASH OFFER**

Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 177,785,861 Shares, representing approximately 37.55% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Share Offer for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it at the time when the Share Offer is made). In addition, under Rule 13.1 of the Takeovers Code, the Offeror is also required to make a comparable cash offer for cancellation of all outstanding Share Options (other than those already owned by the Offeror and parties acting in concert with it at the time when the Option Offer is made).

Taifook Securities will make the Offers for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:–

### **Share Offer**

For every Offer Share . . . . . HK\$0.2 in cash

### **Option Offer**

For cancellation of each Share Option of  
outstanding 7,728,113 Share Options  
with exercise price at HK\$0.078 . . . . . HK\$0.122 in cash

For cancellation of each Share Option of outstanding  
115,000 Share Options  
with exercise price at HK\$0.090 ..... HK\$0.110 in cash

For cancellation of each Share Option of  
outstanding 9,968,226 Share Options  
with exercise price at HK\$0.101 ..... HK\$0.099 in cash

For cancellation of each Share Option of  
outstanding 892,500 Share Options  
with exercise price at HK\$0.103 ..... HK\$0.097 in cash

For cancellation of each Share Option of  
outstanding 300,000 Share Options  
with exercise price at HK\$0.114 ..... HK\$0.086 in cash

For cancellation of each Share Option of  
outstanding 5,034,113 Share Options  
with exercise price at HK\$0.134 ..... HK\$0.066 in cash

For cancellation of each Share Option of  
outstanding 4,748,113 Share Options  
with exercise price at HK\$0.191 ..... HK\$0.009 in cash

As at the date of this joint announcement, there are 473,411,363 Shares in issue and 28,786,065 outstanding Share Options. Save for the Share Options, the Company has no other outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into, Shares.

The Offers will be conditional upon valid acceptances having been received in respect of such number of Shares which, together with the Shares already owned or acquired by the Offeror and parties acting in concert with it during the Offer Period, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company.

The principal terms of the Offers are set out under the section headed “Mandatory Conditional Cash Offer” below.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors, who have no direct or indirect interest in the Offers, will be established to advise the Independent Shareholders and the Independent Optionholders in respect of the Offers, in particular as to whether the Offers are, or are not, fair and reasonable and as to their acceptance. The Independent Financial Adviser will be appointed by the Company after approval by the Independent Board Committee to advise the Independent Board Committee in respect of the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to their acceptance. An announcement regarding appointment of the Independent Financial Adviser will be made in accordance with the Takeovers Code.

It is the intention of the Offeror and the Company to combine the offer document with the offeree board circular from the Company in a composite offer document. In accordance with Rule 8.2 of the Takeovers Code, the composite offer document containing, among other things, (i) details of the Offers (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders and the Independent Optionholders in relation to the Offers; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offers, together with the relevant forms of acceptance and transfer of the Shares in respect of the Share Offer and the forms of the acceptance and cancellation of the Share Options in respect of the Option Offer (as the case may be), is required to be despatched to the Shareholders and the Optionholders within 21 days of the date of this joint announcement.

## **DISCLOSEABLE TRANSACTION FOR PAEH**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition and the Offers (on an aggregate basis) are more than 5% but less than 25%, the Acquisition and the Offers together constitute a discloseable transaction for PAEH under Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements of PAEH under the Listing Rules.

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES, THE PAEH SHARES AND THE PAEH WARRANTS**

At the request of the Company, trading in the Shares on GEM was suspended with effect from 2:30 p.m. on 20 April 2010 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 28 April 2010.

In addition, at the request of PAEH, trading in the PAEH Shares and the PAEH Warrants on the Stock Exchange was suspended with effect from 9:30 a.m. on 23 April 2010 pending the release of this joint announcement. An application has been made by PAEH to the Stock Exchange for the resumption of trading in the PAEH Shares and the PAEH Warrants on the Stock Exchange with effect from 9:30 a.m. on 28 April 2010.

#### **WARNING**

**The Offers may or may not become unconditional. Shareholders and potential investors are advised to exercise caution when dealings in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **THE ACQUISITION**

On 22 April 2010, the Offeror, the Vendor and Dr. Chan entered into the S&P Agreement in relation to the sale and purchase of the Sale Shares. The principal terms of the S&P Agreement are summarised below.

#### **Date**

22 April 2010

#### **Parties**

**Vendor:** Silicon Asia Limited, which is an investment holding company incorporated in the BVI and the controlling Shareholder holding 177,785,861 Shares immediately before Completion, representing approximately 37.55% of the entire issued share capital of the Company as at the date of this joint announcement, and is a company directly and wholly beneficially owned by Dr. Chan.

**Dr. Chan:** the chairman of the Company and an executive Director and the controlling Shareholder interested in 177,785,861 Shares held by the Vendor immediately before Completion and 19,224,452 Share Options, who has agreed to procure the Vendor to effect the due and punctual performance of the obligations of the Vendor under the S&P Agreement subject to and upon the terms and conditions contained therein.

**Purchaser:** China Oil Resources Group Limited, which is an investment holding company incorporated in the BVI and a direct wholly-owned subsidiary of PAEH.

To the best of the knowledge, information and belief of the directors of PAEH having made all reasonable enquiry, the Vendor and its ultimate beneficial owner, Dr. Chan, are third parties independent of PAEH and its subsidiaries and their respective connected persons.

### **Subject of the S&P Agreement**

Pursuant to the S&P Agreement dated 22 April 2010 entered into among the Offeror, the Vendor and Dr. Chan, the Vendor agreed to sell and the Offeror agreed to acquire 177,785,861 Shares, representing approximately 37.55% of the entire issued share capital of the Company as at the date of this joint announcement.

The Sale Shares will be sold free from all Encumbrances together with all rights attaching thereto (including but not limited to all dividends paid, declared or made in respect thereof on or after the Completion Date).

The Offeror is not obliged to purchase any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

### **Consideration**

The consideration for the Sale Shares is HK\$35,557,172.2 (equivalent to HK\$0.2 per Sale Share) which was agreed between the Offeror and the Vendor after arm's length negotiations with reference to the most recent published financial information of the Group, the prospects of the Group's business and potential synergies arising from the acquisition of the control of the Group by the Offeror and was paid by the Offeror to the Vendor in cash upon Completion.

### **Completion**

Completion took place upon signing of the S&P Agreement when all the acts and requirements set out therein have been complied with.

### **Warranties**

The Vendor represents and warrants to the Offeror (for itself and for the benefit of its successors and assigns) that save as Disclosed, the Warranties are true and accurate in all material respects as at the date of the S&P Agreement and unless otherwise stated in the S&P Agreement.

In the event it is found at any time after Completion that any of the Warranties is not true, correct and accurate in any material respect and:

- (i) the effect thereof is that the value of some assets of the Group including, without limitation, the value of any assets stated in the audited consolidated accounts of the Group for the year ended 31 March 2009 or unaudited combined management accounts of the Group for the period from 1 April 2009 to 31 December 2009 is less than its value would have been had there been no such breach or the matter warranted were as warranted; or
- (ii) the Group has incurred or is under any liability or contingent liability which would not have been incurred if such matter were as represented or warranted or the relevant undertaking were performed; or
- (iii) the effect thereof is that the amount of a liability of the Group is higher than its amount had there been no such breach or the matter warranted were as warranted,

then, without prejudice to any other provisions of the S&P Agreement, the Vendor shall indemnify the Offeror on demand and on a full indemnity basis, and holds the Offeror harmless from and against all liabilities, damages, costs, claims, reduction in net consolidated assets or increase in net consolidated liabilities and all reasonable expenses which the Offeror may sustain, suffer, or incur as a result of any of the foregoing and the Vendor shall pay to the Offeror on demand the full amount of any such loss as aforesaid, provided that no claim may be brought against the Vendor in respect of a breach of the Warranties after 31 July 2010.

## **MANDATORY CONDITIONAL CASH OFFER**

Immediately following the Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 177,785,861 Shares, representing approximately 37.55% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Share Offer for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it at the time when the Share Offer is made). In addition, under Rule 13.1 of the Takeovers Code, the Offeror is also required to make a comparable cash offer for cancellation of all outstanding Share Options (other than those already owned by the Offeror and parties acting in concert with it at the time when the Option Offer is made).

As at the date of this joint announcement, there are 473,411,363 Shares in issue and 28,786,065 outstanding Share Options. Save for the Share Options, the Company has no other outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into, Shares.

### **Principal terms of the Offers**

Taifook Securities will make the Offers for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:–

#### ***Share Offer***

For every Offer Share . . . . . HK\$0.2 in cash

The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, right of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Completion Date, including the rights to receive in full all dividends and distributions, if any, declared, made or paid on or after the Completion Date.

#### ***Option Offer***

For cancellation of each Share Option of  
outstanding 7,728,113 Share Options  
with exercise price at HK\$0.078 . . . . .HK\$0.122 in cash

For cancellation of each Share Option of  
outstanding 115,000 Share Options  
with exercise price at HK\$0.090 . . . . .HK\$0.110 in cash

For cancellation of each Share Option of  
outstanding 9,968,226 Share Options  
with exercise price at HK\$0.101 . . . . .HK\$0.099 in cash

For cancellation of each Share Option of  
outstanding 892,500 Share Options  
with exercise price at HK\$0.103 . . . . .HK\$0.097 in cash



For cancellation of each Share Option of  
outstanding 300,000 Share Options  
with exercise price at HK\$0.114 .....HK\$0.086 in cash

For cancellation of each Share Option of  
outstanding 5,034,113 Share Options  
with exercise price at HK\$0.134 .....HK\$0.066 in cash

For cancellation of each Share Option of  
outstanding 4,748,113 Share Options  
with exercise price at HK\$0.191 .....HK\$0.009 in cash

The offer prices in cash of Option Offer is determined by deducting the exercise price payable on exercise of an Share Option from the Offer Price per Offer Share payable under the Share Offer.

### **Comparison of value**

The Offer Price of HK\$0.2 is determined based on the price per Sale Share paid by the Offeror under the S&P Agreement and represents:

- (i) a discount of approximately 32.2% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 11.5% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day of HK\$0.226 per Share;
- (iii) a discount of approximately 4.8% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day of HK\$0.21 per Share; and
- (iv) a premium of approximately 244.8% over the unaudited consolidated net asset value of approximately HK\$0.058 per Share as at 30 September 2009 (based on the unaudited accounts of the Company for the six months ended 30 September 2009 and the number of Shares in issue as at the date of this joint announcement).

### **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement were HK\$0.295 per Share (on 21 April 2010) and HK\$0.110 per Share (on 9 November 2009) respectively.

## **Value of the Offers**

On the basis of the Offer Price of HK\$0.2 per Offer Share and 473,411,363 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$94,682,272.6. Excluding 177,785,861 Sale Shares having been acquired by the Offeror pursuant to the S&P Agreement, 295,625,502 Shares will be subject to the Share Offer and are valued at HK\$59,125,100.4 on the basis of the Offer Price. Assuming that all 28,786,065 outstanding Share Options are tendered at the offer prices in cash of the Option Offer as detailed above, the aggregate amount payable by the Offeror under the Option Offer is approximately HK\$2,429,691.

Assuming that all 28,786,065 outstanding Share Options are fully exercised prior to closing of the Offers, 324,411,567 Shares would be subject to the Share Offer and valued at HK\$64,882,313.4 on the basis of the Offer Price of HK\$0.2 per Offer Share.

## **Financial resources available to the Offeror**

Taifook Capital is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offers. The Offers will be funded by PAEH (through the Offeror) from funds made available from its internal resources.

## **Condition of the Offers**

The Offers will be conditional upon valid acceptances having been received in respect of such number of Shares which, together with the Shares already owned or acquired by the Offeror and parties acting in concert with it during the Offer Period, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company.

Independent Shareholders and Independent Optionholders should note that if the total number of Shares in respect of which the Offeror receives valid acceptances under the Share Offer together with those already owned by the Offeror and parties acting in concert with it during the Offer Period, will result in the Offeror and parties acting in concert with it holding less than 50% of the voting rights of the Company, the Offers will not become unconditional and will lapse. In such circumstances, pursuant to Rule 20.2 of the Takeovers Code, the Offeror must, as soon as possible but in any event within 10 days thereof, post the certificates of the Share or Share Option (as the case may be) lodged with forms of acceptance and transfer or forms of acceptance and cancellation (as the case may be) to, or make such certificates of the Share or Share Option (as the case may be) available for collection by, those Independent Shareholders or Independent Optionholders who have accepted the Offers.

## **Stamp duty**

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by relevant Independent Shareholders at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholder accepting the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares.

No stamp duty is payable in connection with the acceptances of the Option Offer.

## **Payment**

Payment by cheque in respect of acceptances of the Offers will be made as soon as possible but in any event within 10 days of the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid or when the Offers have become or have been declared unconditional, whichever is later.

## **Other arrangements**

As at the date of this joint announcement, (i) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers; (ii) save for the S&P Agreement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers and the Offeror and parties acting in concert with it have not entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company; (iii) none of the Offeror nor parties acting in concert with it has received any irrevocable commitment to accept the Offers; and (iv) none of the Offeror nor parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

## Overseas Shareholders and Optionholders

The Offers will be in respect of securities of a company incorporated in the Cayman Islands and will be subject to the procedural and disclosure requirements of Hong Kong, which may be different from other jurisdictions. Shareholders or Optionholders who wish to participate in the Offers but with registered address outside Hong Kong will also be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offers.

## ISSUED SHARES AND SHARE OPTIONS OF THE COMPANY

Set out below are the shareholding structure of the Company (i) immediately before the Completion; and (ii) immediately following the Completion and as at the date of this joint announcement:

	Immediately before Completion		Immediately following Completion and as at the date of this joint announcement	
	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>
	<i>Shares</i>	<i>% of issued</i> <i>Shares</i>	<i>Shares</i>	<i>% of issued</i> <i>Shares</i>
<b>Shareholders</b>				
The Offeror	–	–	177,785,861	37.55%
The Offeror and parties acting in concert with it	–	–	177,785,861	37.55%
The Vendor ( <i>Note 1</i> )	177,785,861	37.55%	–	–
Vodatel Information Limited ( <i>Note 2</i> )	94,573,696	19.98%	94,573,696	19.98%
Director – Mr. Chan Wai Kong, Peter	4,064,036	0.86%	4,064,036	0.86%
Subtotal	276,423,593	58.39%	276,423,593	58.39%
Public Shareholders	196,987,770	41.61%	196,987,770	41.61%
<b>Total</b>	<b>473,411,363</b>	<b>100.00%</b>	<b>473,411,363</b>	<b>100.00%</b>

*Notes:*

1. The Vendor is directly and wholly-owned by Dr. Chan.
2. Vodatel Information Limited is a direct wholly-owned subsidiary of VDT Mobile Holdings Limited which is a direct wholly-owned subsidiary of Vodatel Holdings Limited, a direct wholly-owned subsidiary of Vodatel Networks Holdings Limited which is a company incorporated in Bermuda whose shares are listed on GEM (Stock code: 8033).

Set out below are details of the Share Options as at the date of this joint announcement:

<b>Number of Share Options</b>	<b>Date of grant</b>	<b>Exercise period</b>	<b>Exercise price</b>
3,000,000	4 September 2001	From 9 May 2003	HK\$0.078
892,500	27 March 2003	9 May 2003 – 8 May 2013	HK\$0.103
300,000	27 March 2003	9 May 2003 – 8 May 2013	HK\$0.114
4,728,113	18 September 2006	18 September 2006 – 17 September 2016	HK\$0.078
115,000	9 February 2007	9 February 2007 – 8 February 2017	HK\$0.090
4,748,113	12 February 2008	12 February 2008 – 11 February 2018	HK\$0.191
9,968,226	13 February 2009	13 February 2009 – 12 February 2019	HK\$0.101
5,034,113	17 February 2010	17 February 2010 – 16 February 2020	HK\$0.134

As at the date of this joint announcement, apart from the Share Options, the Company has no other outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares. Save for the Acquisition as disclosed above, none of the Offeror nor parties acting in concert with it holds, owns or controls or has dealt with during the six-month period ended on the date of this joint announcement any Shares, Share Options, derivatives, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

## **INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in the BVI and a direct wholly-owned subsidiary of PAEH, a company incorporated in the Cayman Islands whose issued shares are listed on main board of the Stock Exchange. PAEH, through its subsidiaries, is principally engaged in the manufacture and sale of paints, blended solvents and plastic colorants, trading of chemical materials, provision of painting services, property investment and exploitation and sale of crude oil. The Offeror and PAEH are Independent Third Parties.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company incorporated in the Cayman Islands and through its subsidiaries, is principally engaged in development, provision and sales of mobile internet communication, telecommunication and related services.

The Group recorded audited profit before taxation of approximately HK\$381,000 and approximately HK\$754,000 for the two financial years ended 31 March 2008 and 2009 respectively and audited profit after taxation attributable to equity holders of the Company of approximately HK\$382,000 and approximately HK\$748,000 for the two financial years ended 31 March 2008 and 2009 respectively. The unaudited consolidated net assets value attributable to equity holders of the Company as at 30 September 2009 was approximately HK\$27,361,000.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE OFFERS FOR PAEH**

Taking into account the potential cooperation of research and development in an integrated mobile application on oil field's daily management and other technologies and businesses related to energy sectors, the board of directors of PAEH is of the view that the terms of the S&P Agreement are fair and reasonable and are on normal commercial terms and that the Acquisition and the Offers are in the interests of PAEH and the shareholders of PAEH as a whole.

## **OFFEROR'S INTENTION ON THE GROUP**

It is the intention of the Offeror to continue with the existing principal businesses of the Group. The Offeror does not intend to introduce any major changes to the existing operations and business of the Company immediately after the Offers. The Offeror will conduct a more detailed review on the operations of the Group with a view to formulating a suitable business strategy for the Group and will explore other business opportunities and consider whether any assets and/or business acquisitions by the Group will be appropriate in order to enhance its growth. As at the date of this joint announcement, the Offeror has no intention or plans for any acquisition or disposal of assets and/or business by the Group.

## **PROPOSED CHANGE OF COMPOSITION OF THE BOARD**

The Board is currently made up of five Directors, comprising two executive Directors, being Dr. Chan Chung and Mr. Chan Wai Kwong, Peter and three independent non-executive Directors, being Mr. Jeffery Matthew Bistrong, Mr. Chu Chin Tai, Eric and Mr. Chen Kwok Wang, Kester.

After the despatch of the offer document, the Offeror will nominate new Director(s) to the Board, representing a majority of the Board. Any changes to the Board composition will be made in compliance with the Takeovers Code and the GEM Listing Rules and a further announcement will be made accordingly.

## **MAINTAINENCE OF THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on GEM after the close of the Offers and will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that a sufficient public float exists for the Shares.

**The Stock Exchange has stated that if, upon the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares.**

## **GENERAL**

### **Independent Board Committee and the Independent Financial Adviser**

The Independent Board Committee comprising all the independent non-executive Directors, who have no direct or indirect interest in the Offer, will be established to advise the Independent Shareholders and the Independent Optionholders in respect of the Offers, in particular as to whether the Offers are, or are not, fair and reasonable and as to their acceptance. The Independent Financial Adviser will be appointed by the Company after approval by the Independent Board Committee to advise the Independent Board Committee in respect of the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to their acceptance. An announcement regarding appointment of the Independent Financial Adviser will be made in accordance with the Takeovers Code.

### **Despatch of the Offer Document**

It is the intention of the Offeror and the Company to combine the offer document with the offeree board circular from the Company in a composite offer document. In accordance with Rule 8.2 of the Takeovers Code, the composite offer document containing, among other things, (i) details of the Offers (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders and the Independent Optionholders in relation to the Offers; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offers, together with the relevant forms of acceptance and transfer of the Shares in respect of the Share Offer and the forms of acceptance and cancellation of the Share Options in respect of the Option Offer, is required to be despatched to the Shareholders and the Optionholders within 21 days of the date of this joint announcement.

### **Dealings Disclosure**

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code) of the Company and the Offeror (within the meaning of the Takeovers Code) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:



### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

### **DISCLOSEABLE TRANSACTION FOR PAEH**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition and the Offers (on an aggregate basis) are more than 5% but less than 25%, the Acquisition and the Offers together constitute a discloseable transaction for PAEH under Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements of PAEH under the Listing Rules.

### **WARNING**

**The Offers may or may not become unconditional. Shareholders and potential investors are advised to exercise caution when dealings in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES, THE PAEH SHARES AND THE PAEH WARRANTS**

At the request of the Company, trading in the Shares on GEM was suspended with effect from 2:30 p.m. on 20 April 2010 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 28 April 2010.

In addition, at the request of PAEH, trading in the PAEH Shares and the PAEH Warrants on the Stock Exchange was suspended with effect from 9:30 a.m. on 23 April 2010 pending the release of this joint announcement. An application has been made by PAEH to the Stock Exchange for the resumption of trading in the PAEH Shares and the PAEH Warrants on the Stock Exchange with effect from 9:30 a.m. on 28 April 2010.

## **DEFINITIONS**

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the purchase of the Sale Shares by the Offeror from the Vendor pursuant to the terms and conditions of the S&P Agreement
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Listing Rules, the GEM Listing Rules and the Takeovers Code (as the case may be)
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	Mobile Telecom Network (Holdings) Limited (stock code: 8266), a company incorporated in the Cayman Island with limited liability, the issued Shares of which are listed on GEM

“Completion”	the completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the S&P Agreement
“Completion Date”	the date of the S&P Agreement on which Completion takes place
“connected person(s) ”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company
“Disclosed”	disclosed in a full, fair, specific and accurate manner in the S&P Agreement, the audited consolidated accounts of the Group for the year ended 31 March 2009 and the unaudited combined management accounts of the Group for the period from 1 April 2009 to 31 December 2009
“Dr. Chan”	Dr. Chan Chung, the chairman of the Company and an executive Director, who is the sole legal and beneficial owner of the Vendor
“Encumbrances”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Jeffery Matthew Bistrong, Mr. Chu Chin Tai, Eric and Mr. Chen Kwok Wang, Kester, to be established to give recommendation to the Independent Shareholders regarding the terms of the Offers
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company after approval by the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Offers
“Independent Optionholders”	Optionholders other than the Offeror and parties acting in concert with it
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Independent Third Parties”	the parties who, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, are independent of and not connected with any of the Director(s), chief executive(s) of the Company or substantial Shareholder(s) or any of the subsidiaries or their respective associate(s)

“Last Trading Day”	20 April 2010, being the last trading day of the Shares immediately prior to the suspension in trading of the Shares on the Stock Exchange at 2:30 p.m. on the same day pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Period”	the period commencing from the date of this joint announcement until the latest of: (i) the date when the Offers closed for acceptances; and (ii) the date when the Offers lapse
“Offer Price”	the price at which the Share Offer will be made, being HK\$0.2 per Offer Share
“Offer Share(s)”	issued Share(s) and Shares which may be issued by the Company following the date of this joint announcement, other than those already owned by the Offeror and parties acting in concert with it
“Offeror”	China Oil Resources Group Limited, which is an investment holding company incorporated in the BVI and a direct wholly-owned subsidiary of PAEH, being the purchaser of the Sale Shares under the S&P Agreement
“Offers”	the Share Offer and the Option Offer
“Option Offer”	the mandatory conditional cash offer to be made by Taifook Securities for and on behalf of the Offeror for cancellation of all outstanding Share Options (other than those already owned by the Offeror and parties acting in concert with it) pursuant to Rule 13.1 of the Takeovers Code

“Optionholder(s)”	holder(s) of the Share Option(s)
“PAEH”	PetroAsian Energy Holdings Limited, a company incorporated in the Cayman Islands whose issued shares are listed on main board of the Stock Exchange (stock code: 850)
“PAEH Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of PAEH
“PAEH Warrant(s)”	warrants issued by PAEH on 21 October 2008 which are listed on the Stock Exchange (warrant code: 344)
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, Macau Special Administrative Regions of PRC and Taiwan
“S&P Agreement”	the sale and purchase agreement dated 22 April 2010 entered into among the Offeror, the Vendor and Dr. Chan in relation to the sale and purchase of the Sale Shares
“Sale Shares”	177,785,861 Shares acquired by the Offeror from the Vendor pursuant to the terms and conditions of the S&P Agreement
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.01 each in the issued share capital of the Company
“Share Offer”	the mandatory conditional cash offer to be made by Taifook Securities for and on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code

“Share Option(s)”	outstanding share option(s) issued by the Company for the subscription of the Shares on the basis of one share option for one Share
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Taifook Capital”	Taifook Capital Limited, a licensed corporation under the SFO permitted to carry on type 6 (advising on corporate finance) regulated activities, and the financial adviser to the Offeror
“Taifook Securities”	Taifook Securities Company Limited, a licensed corporation under the SFO to carry on Types 1 (dealing in securities), 3 (leveraged foreign exchange trading) and 4 (advising on securities) regulated activities, which will make the Offers for and on behalf of the Offeror upon Completion
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trading Day”	means a day on which securities can be freely traded on the Stock Exchange during whole of the normal trading hours of the Stock Exchange regardless of whether any trades actually occur
“Vendor”	Silicon Asia Limited, which is an investment holding company incorporated in the BVI and is a company directly and wholly beneficially owned by Dr. Chan.

“Warranties”	the representation and warranties set out in Schedule 2 to the S&P Agreement and any other representations, warranties and undertakings made by or on behalf of the Vendor in the S&P Agreement or which have become the terms of the S&P Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the board of directors of  
**PetroAsian Energy Holdings Limited**  
**Mr. Poon Sum**  
*Chairman*

For and on behalf of  
**China Oil Resources Group Limited**  
**Mr. Poon Sum**  
*Sole Director*

By order of the Board of  
**Mobile Telecom Network (Holdings) Limited**  
**Mr. Chan Wai Kwong, Peter**  
*Executive Director*

Hong Kong, 27 April 2010

*As at the date of this joint announcement, the board of directors of PAEH comprises (i) three executive Directors, namely Mr. Poon Sum, Mr. Wong Kwok Leung and Mr. Poon Wai Kong; and (ii) three independent non-executive Directors, namely Mr. Chan Kam Ching, Paul, Mr. Chan Shu Kin and Mr. Cheung Kwan Hung.*

*As at the date of this joint announcement, the sole director of the Offeror is Mr. Poon Sum.*

*As at the date of this joint announcement, the Board comprises two executive Directors, namely Dr. Chan Chung and Mr. Chan Wai Kwong, Peter; and three independent non-executive Directors, namely Mr. Jeffery Matthew Bistrong, Mr. Chu Chin Tai, Eric and Mr. Chen Kwok Wang, Kester.*



*All the directors of the PAEH jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendor and parties acting in concert with any of them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendor and parties acting in concert with any of them), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to PAEH, the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*This joint announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at [www.mtelnet.com](http://www.mtelnet.com).*