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PEACE MAP HOLDING LIMITED

天下圖控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 402)

TERMINATION OF CONTINUING CONNECTED TRANSACTION

THE TERMINATION AGREEMENT

On 3 March 2017, Beijing Peace Map, a 81.15%-owned subsidiary of the Company, entered into the Termination Agreement with CATIC Siwei, a substantial shareholder of Beijing Peace Map, pursuant to which Beijing Peace Map and CATIC Siwei agreed that the terms of the Tenancy Agreement had expired on 29 August 2016.

Pursuant to the terms of the Termination Agreement, the rental amount of RMB10,921,000 for the period from 16 August 2014 to 29 August 2016 payable by Beijing Peace Map to CATIC Siwei under the Tenancy Agreement will be converted into a two-year loan payable by Beijing Peace Map to CATIC Siwei, and the Renovation Amount of RMB19,500,000 funded by CATIC Siwei in May 2014 and incurred by Beijing Peace Map on the renovation of the Property will be converted into a five-year loan payable by Beijing Peace Map to CATIC Siwei.

LISTING RULES IMPLICATIONS

CATIC Siwei has a 18.85% equity interest in Beijing Peace Map, which is treated as a 81.15%-owned subsidiary of the Company. Since CATIC Siwei is a substantial shareholder of Beijing Peace Map, CATIC Siwei is a connected person of the Company under Rule 14A of the Listing Rules.

The termination of the continuing connected transaction contemplated under the Tenancy Agreement is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

As the loans provided by CATIC Siwei to Beijing Peace Map under the Loan Agreements are on normal commercial terms which, as far as the Group is concerned, are similar to or more favourable than those offered by independent third parties for comparable services in the PRC, and no security over the assets of the Group will be granted in respect of the loans, the Loan Agreements are exempt under Rule 14A.90 of the Listing Rules from reporting, announcement and independent shareholders' approval requirements.

Reference is made to the Announcement dated 15 May 2014. As disclosed in the Announcement, Beijing Peace Map as tenant entered into the Tenancy Agreement with CATIC Siwei as landlord in relation to the tenancy of the Property on 15 May 2014 for a term commencing from 16 August 2014 to 15 August 2019 at a quarterly rent of RMB1,340,000.

THE TERMINATION AGREEMENT

On 3 March 2017, Beijing Peace Map, a 81.15%-owned subsidiary of the Company, entered into the Termination Agreement with CATIC Siwei, a substantial shareholder of Beijing Peace Map, pursuant to which Beijing Peace Map and CATIC Siwei agreed that the terms of the Tenancy Agreement had expired on 29 August 2016.

Pursuant to the terms of the Termination Agreement, the rental amount of RMB10,921,000 for the period from 16 August 2014 to 29 August 2016 payable by Beijing Peace Map to CATIC Siwei under the Tenancy Agreement will be converted into a two-year loan payable by Beijing Peace Map to CATIC Siwei. On 3 March 2017, Beijing Peace Map entered into the Loan Agreement A with CATIC Siwei pursuant to which CATIC Siwei agreed to provide the two-year loan to Beijing Peace Map in a principal amount of RMB10,921,000.

As set out in the Announcement, Beijing Peace Map as tenant would renovate the Property and the renovation cost would be financed by a loan from CATIC Siwei. CATIC Siwei provided the Renovation Amount to Beijing Peace Map in the form of a loan in May 2014 for the purpose of the renovation of the Property by Beijing Peace Map. Beijing Peace Map incurred the Renovation Amount on the renovation of the Property. Pursuant to the terms of the Termination Agreement, the Renovation Amount of RMB19,500,000 funded by CATIC Siwei and incurred by Beijing Peace Map on the renovation of the Property will be converted into a five-year loan payable by Beijing Peace Map to CATIC Siwei. On 3 March 2017, Beijing Peace Map entered into the Loan Agreement B with CATIC Siwei pursuant to which CATIC Siwei agreed to provide the five-year loan to Beijing Peace Map in a principal amount of RMB19,500,000.

The terms of the Loan Agreements are summarised below:

	Loan Agreement A	Loan Agreement B
Term	Two years	Five years
	From 1 January 2017 to 31 December 2018	From 27 May 2014 to 26 May 2019
Principal amount	RMB10,921,000	RMB19,500,000
Annual interest rate	RMB benchmark lending rate provided by financial institutions announced by the People's Bank of China	RMB benchmark lending rate provided by financial institutions announced by the People's Bank of China
Repayment schedule	Before 31 December 2017: Interest for the period from 1 January 2017 to 31 December 2017 Before 31 December 2018: Interest for the period from 1 January 2018 to 31 December 2018 and principal	Before 26 May 2017: Interest for the period from 27 May 2014 to 26 May 2017 Before 26 May 2018: Interest for the period from 27 May 2017 to 26 May 2018 Before 26 May 2019: Interest for the period from 27 May 2018 to 26 May 2019 and principal

REASONS FOR ENTERING INTO THE TERMINATION AGREEMENT

The Group is principally engaged in developing its business relating to the geographic information industry, which mainly consists of the geospatial business application and services, data collection and processing as well as the development and sales of equipment.

Beijing Peace Map is treated as a 81.15%-owned subsidiary of the Company and is principally engaged in data processing of geospatial data, research and development of geographical information system.

CATIC Siwei has a 18.85% equity interest in Beijing Peace Map. CATIC Siwei holds an investment in the PRC which operates in aero-technology business.

The Property is located in the National Geographic Information Technology Industrial Park in Shunyi District, Beijing. Beijing Peace Map, however, did not expectedly benefit from the relevant preferential policies as originally contemplated. Furthermore, the Property is in an inconvenient location. This would not be beneficial to the long-term development of the Group. Therefore, the office has been relocated to a more convenient area near the city centre in Beijing in August 2016. The Board believes that the relocation could facilitate the business development of the Company. Following ongoing discussions between Beijing Peace Map and CATIC Siwei on the terms of the Termination Agreement, Beijing Peace Map and CATIC Siwei have agreed to enter into the Termination Agreement on the material terms set out in this announcement. The Board believes that the entering into of the Termination Agreement will not cause any material adverse impact to the Group's existing business and operational activities.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Termination Agreement have been arrived at after arm's length negotiations, entered into in the ordinary and usual course of business of the Company and are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

None of the Directors had a material interest in the Termination Agreement or the transactions contemplated thereunder and no Director had abstained from voting on the Board resolution of the Company to approve the Termination Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

CATIC Siwei has a 18.85% equity interest in Beijing Peace Map, which is treated as a 81.15%-owned subsidiary of the Company. Since CATIC Siwei is a substantial shareholder of Beijing Peace Map, CATIC Siwei is a connected person of the Company under Rule 14A of the Listing Rules.

The termination of the continuing connected transaction contemplated under the Tenancy Agreement is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

As the loans provided by CATIC Siwei to Beijing Peace Map under the Loan Agreements are on normal commercial terms which, as far as the Group is concerned, are similar to or more favourable than those offered by independent third parties for comparable services in the PRC, and no security over the assets of the Group will be granted in respect of the loans, the Loan Agreements are exempt under Rule 14A.90 of the Listing Rules from reporting, announcement and independent shareholders' approval requirements.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Announcement”	the announcement of the Company dated 15 May 2014
“Beijing Peace Map”	北京天下圖數據技術有限公司 (Peace Map Co., Ltd*), a company established in the PRC with limited liability and treated as a 81.15%-owned subsidiary of the Company
“Board”	the board of Directors
“CATIC Siwei”	四維航空遙感有限公司 (CATIC Siwei Co., Ltd*), a company established in the PRC with limited liability
“Company”	Peace Map Holding Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules

“Directors”	directors of the Company
“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
“Loan Agreements”	the Loan Agreement A and the Loan Agreement B
“Loan Agreement A”	the loan agreement dated 3 March 2017 entered into between Beijing Peace Map as borrower and CATIC Siwei as lender in respect of the rental payable under the Tenancy Agreement
“Loan Agreement B”	the loan agreement dated 3 March 2017 entered into between Beijing Peace Map as borrower and CATIC Siwei as lender in respect of the Renovation Amount
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, does not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	a nine storey building with a basement with a total gross floor area of approximately 12,254 square meters which is situated at 5B-1, National Geographic Science and Technology Industrial Park, South of Longtang Road, Touerying Village, Liqiao Town, Shunyi District, Beijing
“Renovation Amount”	the amount of RMB19,500,000 incurred by Beijing Peace Map on the renovation of the Property
“RMB”	renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company

“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Tenancy Agreement”	the tenancy agreement dated 15 May 2014 entered into between Beijing Peace Map as tenant and CATIC Siwei as landlord in relation to the tenancy of the Property
“Termination Agreement”	the agreement dated 3 March 2017 entered into between Beijing Peace Map and CATIC Siwei in relation to the termination of the Tenancy Agreement
“%”	per cent

By order of the Board of
Peace Map Holding Limited
ZHU Dong

Deputy Chief Executive Officer and Executive Director

Hong Kong, 3 March 2017

As at the date of this announcement, the executive Directors are Mr. GUAN Hongliang (Chairman), Mr. WANG Zheng (Chief Executive Officer), Mr. ZHU Dong (Deputy Chief Executive Officer) and Mr. FENG Tao (Chief Financial Officer) and the independent non-executive Directors are Mr. ZHANG Songlin, Mr. ZHAI Shenggang and Mr. KANG Hua.

** for identification purpose only*