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**PEACE MAP HOLDING LIMITED**

**天下圖控股有限公司**

*(In Liquidation)*

*(incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock code: 402)**

### **DISPOSAL OF A SUBSIDIARY**

The JLs are pleased to announce that on 8 April 2019, the Company entered into the Disposal Agreement with the Purchaser, pursuant to which the Purchaser has conditionally agreed to purchase, and the Company has conditionally agreed to sell, the entire equity interests in Jichang Investments at a consideration of HK\$10,000,000 which is to be settled in cash.

The Company is currently in liquidation and the Disposal has been approved by the Committee of Inspection. Given that (i) the Company was ordered to be wound up by the Court; (ii) the JLs have been appointed by the Court and are empowered to dispose of the assets of the Company and to do all acts necessary in the name and on behalf of the Company including to perform the restructuring of the Group; and (iii) the Company is insolvent and the estimate recovery of the Shareholders is unlikely due to insufficient assets to settle creditors' claims. On this basis and in alignment with LD-112-2, the Shareholders' interests would not be prejudiced without the Shareholders' meeting to approve the Disposal and the requirements to dispatch a circular and obtain Shareholders' approval under Rules 14.48 and 14.49 of the Listing Rules do not apply to the Disposal.

The JLs make this announcement to keep the Shareholders informed of the progress of the Disposal in accordance with Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

## **BACKGROUND**

Reference is made to the announcement of the Company dated 20 February 2019 in relation to the entering into the memorandum of understanding in relation to the Disposal.

The JLS are pleased to announce that on 8 April 2019, the Company entered into the Disposal Agreement with the Purchaser, whereby the Purchaser has agreed to purchase, and the Company has agreed to sell, its entire equity interests in Jichang Investments at a consideration of HK\$10,000,000.

## **THE DISPOSAL AGREEMENT**

The key terms of the Disposal Agreement are set out as follows:

### **Date**

8 April 2019

### **Parties**

- (a) the Company; and
- (b) the Purchaser.

### **Assets to be disposed of**

The Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire equity interests in Jichang Investments.

The Intra-Group Liabilities, being amounts owing by/to Jichang Investments or its subsidiaries to/by the Company as at the date of the Disposal Agreement, and the Peace Map Beijing Entities Debts, being any outstanding indebtedness owing by any Peace Map Beijing Entities to the Company as at the date of the Disposal Agreement (if any), would be waived on or before the Completion so that there will be no Intra-Group Liabilities and the Peace Map Beijing Entities Debts after the Completion. It is expected that the Intra-Group Liabilities, including an aggregate sum of approximately HK\$287.8 million owing to the Company and another sum of approximately HK\$8.1 million owing by the Company, would be waived and such figure is subject to the final audit of the financials of the Group.

## Consideration

The Consideration for the Disposal is HK\$10,000,000 and it will be paid by the Purchaser to the Company in the following manner:

- (i) a sum of HK\$6,000,000, representing 60% of the Consideration, of which a sum of HK\$1,000,000 has already been paid pursuant to the memorandum of understanding dated 20 February 2019 and entered into between the Company and the Purchaser as initial deposit, will be paid upon signing of the Disposal Agreement and obtaining of the relevant approval(s) by the JLs to waive the Intra-Group Liabilities and the Peace Map Beijing Entities Debts (if any);
- (ii) a sum of HK\$3,000,000, representing 30% of the Consideration, will be paid by cashier order(s) within 7 Business Days after the signing of the Disposal Agreement and obtaining of the relevant approval(s) by the JLs to waive the Intra-Group Liabilities and the Peace Map Beijing Entities Debts (if any), and such cashier order(s) shall only be presented to the bank for clearance and payment following production of the evidence to the Purchaser that the relevant documents for updating the register of members of Jichang Investments and the register of directors of Jichang Investments, Sinbo Investment and Peace Map (HK) having been submitted and the notices for the resignation of the existing directors and/or the appointment of the new directors of Peace Map (HK) having been filed to the relevant authorities in Hong Kong; and
- (iii) a sum of HK\$1,000,000, representing 10% of the Consideration, will be paid by cashier order upon completion of paragraph (ii) above and such information has been subsequently updated in the relevant register of members, register of directors and the authorities in Hong Kong.

The Consideration was determined by the parties to the Disposal Agreement based on arm's length negotiations on normal commercial terms with reference to (1) the historical loss making results and financial condition of Jichang Investments and its subsidiaries; (2) the Disposal representing the only formal offer received by the JLs so far; and (3) the unaudited net asset value of Jichang Investments and its subsidiaries of approximately HK\$258.4 million as at 31 December 2017 (including a goodwill of approximately HK\$392.2 million).

Based on the preliminary assessment by the JLs, it is expected that the goodwill of approximately HK\$392.2 million will be written off entirely. After deducting the goodwill, Jichang Investments and its subsidiaries will result in net liability. As such, the JLs are of the view that the Consideration of the Disposal at HK\$10 million is fair and reasonable.

The JLs have also considered other alternatives such as disposal of assets of Jichang Investments and its subsidiaries or other assets of the Group companies. However, given the majority of the Group's assets/revenue was derived from Jichang Investments and its subsidiaries, there are limited options available. In addition, the operating licenses held by Peace Map Beijing (i.e. Class-A and Class-B Certificates of Surveying and Mapping Qualification issued by the Bureau of Surveying and Mapping) are necessary for the business operation and therefore, the Purchaser would be unable to operate the business of Peace Map Beijing Entities without purchasing the entire equity interests in Jichang Investments and its subsidiaries. The disposal of assets of Jichang Investments and its subsidiaries will be at a lower value than the disposal of its equity interests. As such, the JLs decide to dispose the entire equity interests in Jichang Investments.

### **Further Undertaking**

The Purchaser irrevocably and unconditionally agrees and undertakes with the Company that it shall provide, and shall procure each of Jichang Investments and its subsidiaries to provide, all such assistance as may be reasonably necessary or required by the Company and/or the JLs in connection with fulfilling the requirements for the resumption of trading of the Shares on the Stock Exchange, including without limitation to the requirements to publish all outstanding financial results and address all audit modifications of the Company and/or Jichang Investments and its subsidiaries and to address and answer all queries from the Stock Exchange and the Securities and Futures Commission from time to time (where applicable).

The Purchaser hereby irrevocably and unconditionally agrees and undertakes with the Company to procure that none of the Peace Map Beijing Entities shall make any claim or demand or take any action in connection with any outstanding indebtedness owing by the Company to any such Peace Map Beijing Entities as at the date of the Disposal Agreement (if any); and the Purchaser hereby further covenants with the Company to indemnify and will keep indemnified and save harmless the Company and its assignees from and against any and all losses, claims, damages (including interest, penalties, fines and monetary sanctions), liabilities and costs incurred or suffered by the Company by reason of, resulting from, in connection with, or arising in any manner whatsoever out of the breach of its undertaking.

### **Conditions precedent**

The Completion of the Disposal will be subject to the following conditions being fulfilled:

- the JLs having obtained the relevant approval(s) to waive the Intra-Group Liabilities and the Peace Map Beijing Entities Debts (if any); and

- the Company having submitted the relevant documents for updating the register of members of Jichang Investments, the register of directors of Jichang Investments, Sinbo Investment and Peace Map (HK), and having filed the notices for the resignation of the existing directors and/or the appointment of the new directors of Peace Map (HK) to the relevant authorities in Hong Kong.

## **Completion**

The Disposal will be completed on the 14th Business Day after the fulfilment (or waiver, as the case may be) of the conditions precedent to the Disposal Agreement or such other date as the Company and the Purchaser may agree in writing.

If the Purchaser fails to complete the purchase in accordance with the terms and conditions of the Disposal Agreement (otherwise than due to the default by the Company or due to the non-fulfilment of the conditions precedent to the Disposal Agreement), then the Company shall be entitled to rescind the Disposal Agreement by notice in writing to the Purchaser and thereupon a sum of HK\$3,000,000 being part of the initial deposit shall be forfeited to the Company absolutely as liquidated damages and not as penalty, and the remaining balance of the initial deposit in the sum of HK\$3,000,000 together with any other deposit and/or part payment of the Consideration made by the Purchaser hereunder shall be refunded to the Purchaser without any interest within seven Business Days, and thereupon the Company shall have no further claim of whatsoever nature against the Purchaser, and the Company shall not take any action against the Purchaser for damages or specific performance of the Disposal Agreement.

If the Company fails to complete the sale in accordance with the terms and conditions of the Disposal Agreement (otherwise than due to the default by the Purchaser or due to the non-fulfilment of the conditions precedent to the Disposal Agreement on or before the Completion), then the Purchaser shall be entitled to rescind the Disposal Agreement by notice in writing to the Company and thereupon the initial deposit and any other deposit and/or partial payment of the Consideration made by the Purchaser hereunder shall be refunded to the Purchaser without any interest within seven Business Days together with payment of a further sum of HK\$3,000,000 as liquidated damages and not as penalty by the Company to the Purchaser, and thereupon the Purchaser shall have no further claim of whatsoever nature against the Company, and the Purchaser shall not take any action against the Company for damages or specific performance of the Disposal Agreement.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS**

Since the appointment of the JLs in August 2018, the JLs have conducted a thorough review of the Group's financial situation and operations and consider that it will require significant new investment in order to formulate a viable resumption plan. The JLs therefore deployed various efforts with an aim to identify suitable investor(s) for the Company and to secure new funds from existing Shareholders and creditors of the Company. Starting from September 2018, the JLs invited potential investors to submit an expression of interest in providing funding for the restructuring of the Company, including but not limited to injection of a suitable business to the Company by way of reverse takeovers and/or acquisition of the existing business operations of the Company. As disclosed in the announcement of the Company dated 20 March 2019, the Company and the JLs entered into an exclusivity agreement with a potential investor for the formulation of a viable resumption plan.

Up to the date of this announcement, the JLs have only received one formal offer from the Purchaser in relation to the Disposal. In view of this, given the liquidation status of the Company, the limited cashflow available and the historical loss making results and financial condition of Jichang Investments and its subsidiaries, the JLs consider that the Disposal represents a good opportunity for the Company to realise its investment in Jichang Investments for the benefits of the creditors of the Company.

Given that the Company is in liquidation, this transaction does not require any approval by the Directors. Nonetheless, the Directors express no opinion on the fairness and reasonableness of the Disposal.

The net proceeds derived from the Disposal will be used to settle the liquidation costs and/or to make distributions to the Company's creditors.

## **INFORMATION ON THE COMPANY, JICHANG INVESTMENTS AND ITS SUBSIDIARIES**

The Company is an investment holding company. On 10 August 2018, the Company was ordered by the Court to be wound up pursuant to section 161(e) of the Bermuda Companies Act 1981. The Company is currently in liquidation and the trading of the Shares on the Stock Exchange has been suspended since 13 August 2018.

Jichang Investments is a company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of the Company. Jichang Investments directly wholly-owns Sinbo Investment, and Sinbo Investment directly wholly-owns Peace Map (HK).

Peace Map (HK) directly wholly-owns Peace Map Beijing. Through a series of contractual arrangements, Peace Map Beijing is controlling Peace Map Co., Ltd. and its subsidiaries, the key PRC operating subsidiaries of the Group, which is principally engaged in the business of geospatial application and services, data collection and development and sales of equipment.

Set out below is the summary of the unaudited financial information of Jichang Investments and its subsidiaries for the year ended 31 December 2017 and the six months ended 30 June 2018 as extracted from the unaudited consolidated management accounts of Jichang Investments and its subsidiaries:

	<b>For the year ended 31 December 2017</b>	<b>For the six months ended 30 June 2018</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Net (loss)/profit before tax	(310,491)	901
Net (loss)/profit after tax	(288,439)	920

As at 30 June 2018, the unaudited net asset value for Jichang Investments and its subsidiaries was approximately HK\$265.6 million (including a goodwill of approximately HK\$405.0 million and an intangible asset of approximately HK\$160.2 million).

#### **INFORMATION ON THE PURCHASER**

Based on the information provided by the Purchaser, the Purchaser is a company incorporated in Hong Kong with limited liability. The Purchaser is principally engaged in investment holding.

To the best of the JLs and the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons as stipulated under the Listing Rules.

#### **FINANCIAL EFFECT OF THE DISPOSAL**

As a result of the Disposal, the Group is expected to record an unaudited estimated loss on the Disposal of approximately HK\$255.0 million based on the Consideration, the carrying value of Jichang Investments as at 30 June 2018, the amount of Intra-Group Liabilities and the Peace Map Beijing Entities Debts (if any) to be discharged and the estimated transaction costs.



The actual gain/loss to be recorded might be different as the above estimate is based on the unaudited net asset value of Jichang Investments and its subsidiaries as at 30 June 2018 and the estimated transaction costs, which might be different from those as at the date of Completion.

Upon Completion, Jichang Investments and its subsidiaries ceased to be subsidiaries of the Company and the Company will not have any business operations.

## **LISTING RULES IMPLICATION**

As the highest applicable percentage ratio in respect of the Disposal under the Disposal Agreement exceeds 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules. The Company is currently in liquidation and the Disposal has been approved by the Committee of Inspection. Given that (i) the Company was ordered to be wound up by the Court; (ii) the JLs have been appointed by the Court and are empowered to dispose of the assets of the Company and to do all acts necessary in the name and on behalf of the Company including to perform the restructuring of the Group; and (iii) the Company is insolvent and the estimate recovery of the Shareholders is unlikely due to insufficient assets to settle creditors' claims. On this basis and in alignment with LD-112-2, the Shareholders' interests would not be prejudiced without the Shareholders' meeting to approve the Disposal and the requirements to dispatch a circular and obtain shareholders' approval under Rules 14.48 and 14.49 of the Listing Rules do not apply to the Disposal.

The JLs make this announcement to keep the Shareholders informed of the progress of the Disposal in accordance with Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under part XIVA of the Securities and Futures Ordinance.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares of the Company on the Stock Exchange has been suspended since 13 August 2018 and will remain suspended until further notice. Further announcement(s) will be made as and when appropriate.

**Shareholders and potential investors of the Company are advised to exercise with caution when dealing in the securities of the Company.**



## DEFINITIONS

“Company”	Peace Map Holding Limited (In Liquidation), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the Shares of which are listed on Main Board of the Stock Exchange
“Committee of Inspection”	a committee of inspection, which is comprised of 5 members who were nominated in the extraordinary ordinary meeting on 9 November 2018
“Completion”	completion of the Disposal pursuant to the Disposal Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Court”	the Supreme Court of Bermuda
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Company’s entire equity interests in Jichang Investments pursuant to the Disposal Agreement
“Disposal Agreement”	the formal sale and purchase agreement entered into between the Company and the Purchaser in respect of the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intra-Group Liabilities”	amounts owing by/to Jichang Investments or its subsidiaries to/by the Company
“Jichang Investments”	Jichang Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Company before Completion
“JLs”	Mr. David Yen Ching Wai and Ms. Anita So Kit Yee of Ernst & Young Transactions Limited and Mr. Keiran Hutchison of EY Bermuda Limited, being the joint liquidators of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Peace Map Beijing”	北京天下圖信息技術有限公司 (Beijing Peace Map Information and Technology Limited)*, a company incorporated in the PRC with limited liability which is entirely held by Peace Map (HK) and is an indirect wholly-owned subsidiary of the Company before Completion
“Peace Map Beijing Entities”	Peace Map Beijing and any of its respective subsidiaries for the time being
“Peace Map Beijing Entities Debts”	any outstanding indebtedness owing by any Peace Map Beijing Entities to the Company as at the date of the Disposal Agreement
“Peace Map (HK)”	Peace Map Information Limited, a company incorporated in Hong Kong with limited liability which is entirely held by Sinbo Investment and is an indirect wholly-owned subsidiary of the Company before Completion
“PRC”	the People’s Republic of China, for the purpose of this announcement, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Kaihung Consultancy Management Limited, a company incorporated in Hong Kong with limited liability
“Sale Share”	one share of Jichang Investments, representing the entire equity interests in Jichang Investments held by the Company
“Securities and Futures Commission “	the Securities and Futures Commission of Hong Kong
“Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Share(s)

“Sinbo Investment”	Sinbo Investment Limited, a company incorporated in the British Virgin Islands with limited liability, which is entirely held by Jichang Investments and is an indirect wholly-owned subsidiary of the Company before Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*The English names of the PRC entities mentioned herein and marked with “\*” are translation from their Chinese names and are for identification purpose only.*

For and on behalf of  
**Peace Map Holding Limited**  
*(In Liquidation)*  
**David Yen Ching Wai,**  
**Anita So Kit Yee and**  
**Keiran Hutchison**  
*Joint Liquidators*  
*Acting as agents of the Company only and*  
*without personal liability*

Hong Kong, 8 April 2019

*As at the date of this announcement, the executive directors of the Company are Mr. GUAN Hongliang (Chairman), Mr. WANG Zheng (Chief Executive Officer), Mr. LI Bin, Ms. MU Yan, Mr. LI Chengning and Mr. XU Jian (Chief Financial Officer) and the independent non-executive directors of the Company are Mr. ZHANG Songlin, Ms. LI Nan and Mr. XU Lei.*