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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)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The joint liquidators (the “**Joint Liquidators**”) of Peace Map Holding Limited (In Liquidation) (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2019 with comparative figures for the preceding financial year as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019

	<i>Notes</i>	2019 (Unaudited) HK\$'000	2018 (Audited) HK\$'000
Revenue	4	15,330	145,832
Cost of revenue		(26,960)	(111,283)
Gross (loss)/profit		(11,630)	34,549
Other income	5	528	662
Selling and distribution expenses		(2,793)	(15,436)
Administrative and other operating expenses		(76,155)	(45,904)
Gain on disposal of a subsidiary	6	17,292	–
Share of result of associates		–	(854)
Impairment loss of goodwill		–	(116,186)
Impairment loss of other intangible assets		–	(98,603)
Impairment loss of property, plant and equipment		–	(17,631)
Impairment loss of interests in associates		–	(2,452)
Impairment loss on inventories		–	(967)
Allowance for expected credit losses/impairment loss		–	(3,536)
Other gain and losses, net	6	(869)	(835)
Operating loss		(73,627)	(267,193)
Finance costs	7	(727)	(142,563)
Loss before taxation	8	(74,354)	(409,756)
Income tax	9	–	–
Loss for the year		(74,354)	(409,756)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)**For the year ended 31 December 2019*

		2019	2018
		(Unaudited)	(Audited)
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
Loss for the year attributable to:–			
Owners of the Company		(70,778)	(353,263)
Non-controlling interests		(3,576)	(56,493)
		<hr/>	<hr/>
		(74,354)	(409,756)
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	<i>11</i>		
– Basic and diluted		(0.87)	(4.33)
		<hr/> <hr/>	<hr/> <hr/>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2019

	2019	2018
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Loss for the year	(74,354)	(409,756)
Other comprehensive income		
Items that may be reclassified subsequently to consolidated profit or loss:–		
Exchange differences arising from translation of overseas operations	–	16,588
Other comprehensive income for the year	–	16,588
Total comprehensive expense for the year	(74,354)	(393,168)
Total comprehensive expense for the year attributable to:–		
Owners of the Company	(70,778)	(336,952)
Non-controlling interests	(3,576)	(56,216)
	(74,354)	(393,168)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

		2019	2018
		(Unaudited)	(Audited)
	<i>Notes</i>	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		–	13,565
Interests in associates		–	1,508
Other intangible assets		–	60,646
		<hr/>	<hr/>
		–	75,719
		<hr/>	<hr/>
Current assets			
Contract assets		–	177,569
Trade and other receivables	12	–	176,135
Finance lease receivables		–	2,049
Tax recoverable		6	6
Pledged bank deposits		–	13
Cash and cash equivalents		1,668	17,030
		<hr/>	<hr/>
		1,674	372,802
		<hr/>	<hr/>
Current liabilities			
Contract liabilities		–	67,952
Trade and other payables	13	6,626	322,486
Amounts due to non-controlling shareholders		–	65,853
Amounts due to associates		–	8,343
Tax payables		–	1,588
Borrowings		–	304
Convertible notes	14	660,756	660,756
		<hr/>	<hr/>
		667,382	1,127,282
		<hr/>	<hr/>
Net current liabilities		(665,708)	(754,480)
		<hr/>	<hr/>
Total assets less current liabilities		(665,708)	(678,761)
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**As at 31 December 2019*

	2019 (Unaudited) HK\$'000	2018 (Audited) HK\$'000
Non-current liabilities		
Borrowings	—	3,416
	<hr/>	<hr/>
Net liabilities	(665,708)	(682,177)
	<hr/> <hr/>	<hr/> <hr/>
Capital and Reserves		
Share capital	81,568	81,568
Reserves	(747,276)	(738,489)
	<hr/>	<hr/>
Equity attributable to owners of the Company	(665,708)	(656,921)
Non-controlling interests	—	(25,256)
	<hr/>	<hr/>
Total equity	(665,708)	(682,177)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Peace Map Holding Limited (In Liquidation) (the “**Company**”) was incorporated in the Cayman Islands on 25 May 2004 as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company was de-registered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The change of domicile from the Cayman Islands to Bermuda became effective on 24 July 2017 (Bermuda time)/25 July 2017 (Hong Kong time). The address of the registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of the principal place of business of the Company and the address of the joint liquidators of the Company (the “**Joint Liquidators**”), is situated at 22/F CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong. The consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”), which is also the functional currency of the Company.

Suspension of trading in shares of the Company

The trading in shares of the Company had been suspended with effect from 9:00 a.m. on Monday, 13 August 2018 and will remain suspended until further notice.

Appointment of the joint provisional liquidators (the “Joint Provisional Liquidators”)/Joint Liquidators of the Company

On 10 August 2018, the Supreme Court of Bermuda (the “**Supreme Court**”) ordered the Company be wound up under the provisions of section 161(e) of the Bermuda Companies Act 1981 (the “**Order**”) and Mr. Keiran Hutchison of EY Bermuda Limited, together with Mr. David Yen Ching Wai and Ms. Anita So Kit Yee of Ernst & Young Transactions Limited be appointed as the Joint Provisional Liquidators.

On 1 February 2019, the Supreme Court granted an order to appoint the Joint Provisional Liquidators as Joint Liquidators.

The Company’s principal activity is investment holding while its subsidiaries were principally engaged in the geographic information business in the PRC including aerial photography, and remote sensing image data collection (“**data collection**”), provision of geospatial data processing services, softwares and solutions (“**business application and services**”) and development and sales of high-end surveying and mapping equipment (“**development and sales of equipment**”).

1. GENERAL INFORMATION *(Continued)*

Appointment of the joint provisional liquidators (the “Joint Provisional Liquidators”)/Joint Liquidators of the Company *(Continued)*

On 8 April 2019, the Company entered into a disposal agreement to sell the entire equity interests in Jichang Investments Limited (“**Jichang Investments**”) and its subsidiaries (“**Jichang Group**”) at a consideration of HK\$10,000,000 to an independent third party. Jichang Group were the major subsidiaries of the Group and were principally engaged in the geographic information business in the People’s Republic of China. Amounts owing by/to Jichang Group to/by the Company as at the date of the disposal have been waived.

Soon after the disposal of these subsidiaries in 2019, the Company’s principal activity is just investment holding while the principal activities of its subsidiaries are just investment holding or dormant.

Listing status of the Company

On 21 September 2018, the Company received a letter from the Stock Exchange imposing certain resumption conditions on the Company (the “**Letter**”). Details are as follows: –

- (a) demonstrate its compliance with Rule 13.24 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);
- (b) have the winding up petitions against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged;
- (c) publish all outstanding financial results and address all audit modifications; and
- (d) inform the market of all material information for the Company’s shareholders and other investors to appraise its positions.

On 8 October 2019, the Company, the Joint Liquidators entered into an exclusivity agreement with a third party (the “**Potential Investor**”), pursuant to which the Company and the Potential Investor agreed to negotiate in good faith for concluding contracts for implementing a proposed restructuring of the Company involving an acquisition of assets by the Company from the Potential Investor (the “**Proposed Transaction**”).

On 5 November 2019, a resumption proposal (the “**Resumption Proposal**”) has been submitted to the Stock Exchange seeking its approval for the resumption of trading in the shares of the Company.

In support of the submission of the Resumption Proposal, as represented by the Joint Liquidators, the Resumption Proposal includes proposal of entering into a conditional sale and purchase agreement with an independent third party regarding the acquisition of a company principally engaged in granite dimension stone mining and processing in Malaysia (the “**Possible Acquisition**”). It is expected by the Joint Liquidators that the Possible Acquisition, if materialise, shall constitute a very substantial acquisition and reverse takeover involving a new listing application of the Company under the Listing Rules.

1. GENERAL INFORMATION *(Continued)*

Listing status of the Company *(Continued)*

In addition to the Possible Acquisition, the Resumption Proposal, represented by the Joint Liquidators, also includes, among other things, a capital reorganisation, a share offer including public offer and placing of new shares of the Company and a scheme of arrangement to be made between the Company and its convertible noteholders and other creditors.

Pursuant to the Letter, if the Company fails to remedy the issues causing its trading suspension, fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 12 February 2020, the Stock Exchange will proceed with the cancellation of the Company's listing on the Stock Exchange.

On 23 March 2020, the Company received a letter from the Stock Exchange stating that given the Company's failure to fulfil all the resumption conditions/guidance to the satisfaction of the Stock Exchange and resume trading in the Company's shares by 12 February 2020, the Stock Exchange will on 26 March 2020 recommend the listing committee to cancel the listing of the Company. On 24 March 2020, the Company wrote to the Stock Exchange for an extension to fulfil all the resumption conditions/guidance.

Decision on Cancellation of Listing

The Company has received a letter (the "**Decision Letter**") from the Stock Exchange dated 27 March 2020 stating that the Listing Committee of the Stock Exchange (the "**Listing Committee**") decided to cancel the Company's listing under Rule 6.01A of the Listing Rules (the "**Delisting Decision**"). It is indicated in the Decision Letter that, unless the Company applies for a review of the Delisting Decision in accordance with its rights under Chapter 2B, the last day of listing of the Shares will be on 14 April 2020 and the listing of the Shares on the Stock Exchange will be cancelled with effect from 9:00 a.m. on 15 April 2020.

Possible Review of the Delisting Decision

Under Chapter 2B of the Listing Rules, the Company has the right to request the Delisting Decision be referred to the Listing Review Committee for review.

The Company is considering the Delisting Decision and will continue to seek appropriate advice from its professional advisers on the same. The Company may consider submitting a review request for the Delisting Decision to the secretary of the Listing Review Committee of the Stock Exchange pursuant to Rule 2B.06(2) of the Listing Rules for a review of the Decision.

Incomplete books and records

Due to the limited information available, the Company was unable to obtain sufficient documentary information regarding the completeness of books and records and the treatment of various balances as included in the unaudited consolidated financial statements for the year ended 31 December 2019.

1. GENERAL INFORMATION *(Continued)*

Proposed Restructuring

On 27 March 2020, the investors, the Company and the Joint Liquidators entered into the Sale and Purchase Agreement in relation to the Proposed Acquisition (“**Acquisition**”). Reference are made to the announcements of the Company dated 27 March 2020 regarding the updates on the proposed restructuring. Unless otherwise stated, capitalized items used below section shall have the same meanings as those defined in the announcements of the Company dated 27 March 2020. The Proposed Restructuring mainly consist of (i) Capital Reorganisation; (ii) Creditors Scheme; (iii) the Acquisition; and (iv) the Share Offer, details of which are set out below:

Capital Reorganisation

In order to facilitate the Acquisition and the Shares Offer, the Company proposes to undergo the capital reorganisation which comprises Share Consolidation, Capital Reduction and Share Premium cancellation.

The Creditors Scheme

It is proposed that the implementation of the Creditors Scheme will involve the following (i) the debts of the Creditors will be settled by way of issuance of New Shares with a haircut of approximately 30% in which 1,448,356,000 New Shares with a total value of approximately HK\$463.5 million will be issued to the Creditors in full settlement of the debts of the Creditors; and (ii) the Company will transfer the entire equity interests of all the Scheme Companies, which are directly or indirectly held by the Company, to a scheme vehicle to be held by the Scheme Administrator(s) of the Creditors Scheme at a cash consideration of HK\$1.0. After such transfer, dividend distributed by such subsidiaries or recovery from those subsidiaries, if any, will be distributed for the benefit of the Creditors.

As the proposed settlement of the indebtedness due to the AVIC International Holding (HK) Limited under the Creditors Scheme is not extended to all the other Shareholders, the implementation of the Creditors Scheme constitutes a special deal under Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state in its opinion that the terms of the Creditors Scheme are fair and reasonable; and (iii) approval by the Independent Shareholders at the SGM, in which the Creditors and their associates and parties acting in concert with any of them who are Shareholders will be required to abstain from voting on the relevant resolutions approving the Creditors Scheme and the Special Deal. The Company will apply to the Executive for the consent to the Special Deal under Rule 25 of the Takeovers Code.

Upon completion of the Creditors Scheme, all the claims against, and liabilities of, the Company will be discharged and compromised in full. The winding-up order will be stayed permanently and the Joint Liquidators will be permanently released after the Supreme Court sanction to the Creditors Scheme.

1. GENERAL INFORMATION *(Continued)*

Proposed Restructuring *(Continued)*

The Acquisition

On 27 March 2020, the Vendors, the Company and the Joint Liquidators entered into the sale and purchase agreement in relation to the Acquisition. Pursuant to the Sale and Purchase Agreement, the Company will acquire the entire issued share capital of the Target Company, free from all encumbrances, at the Consideration of HK\$4,200.0 million. Upon Completion, the Target Company, will become a wholly-owned subsidiary of the Company. The Consideration shall be settled by the Company to the Vendors as to HK\$1,900.0 million by issue and allotment of the Consideration Shares at the Issue Price and HK\$2,300.0 million by issue of the Convertible Bonds.

The Share Offer

Upon completion of the Proposed Restructuring, the Company proposes to carry out the Share Offer comprising the Preferential Offering, the Public Offer and the Placing.

The Company proposes to offer a total of 550,000,000 Offer Shares (comprising 175,000,000 New Shares to be offered by the Company and 85,000,000 Sale Shares to be offered by Vendor Group and 290,000,000 Sale Shares to be offered by Diamond Wealth) for subscription at the Offer Price (i.e. HK\$0.32 per Offer Share). Of the 550,000,000 Offer Shares, 448,040,237 Offer Shares (i.e. the Public Shares) are available for subscription by the members of the public and another 101,959,763 Offer Shares (i.e. Reserved Shares) are available for subscription by the Qualifying Shareholders under the Preferential Offering as the Assured Entitlement.

The Sale Shares of 290,000,000 to be offered by Diamond Wealth under the Share Offer is to ensure that the minimum public float as required under the Listing Rules is met upon the Completion of the Acquisition or before the resumption of trading in the Shares. Accordingly, the net proceeds will be payable to Diamond Wealth. Such proceeds will be maintained by the Scheme Administrator(s) and will be released upon Resumption.

1. GENERAL INFORMATION *(Continued)*

Proposed Restructuring *(Continued)*

The Share Offer (Continued)

The Company proposes to offer the Qualifying Shareholders a pre-emptive right to subscribe for Offer Shares at the Offer Price. Qualifying Shareholders are entitled to apply for an aggregate of 101,959,763 Offer Shares under the Preferential Offering and the basis of Assured Entitlement is one (1) Reserved Share for every integral multiple of two (2) New Shares held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's Assured Entitlement should be made by completing the application form and lodging the same with a remittance for the Offer Shares being applied for. Qualifying Shareholders should note that the Assured Entitlement to Reserved Shares may not represent a number of a full board lot of 20,000 New Shares. Further, there is no fractional entitlements to the Reserved Shares and the Reserved Shares allocated to a Qualifying Shareholder will be rounded down to the nearest whole number if required. Qualifying Shareholders should note that dealings in odd lots of the New Shares may be at a price below the prevailing market price for full board lots.

It is expected that the Underwriting Agreements will be executed prior to the despatch of the Circular. The Share Offer is conditional upon, among others, completion of the Creditors Scheme, the Capital Reorganisation and the Acquisition.

2. BASIS OF PREPARATION

The unaudited consolidated financial statements have been prepared by the Joint Liquidators of the Company in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS(s)**”), Hong Kong Accounting Standards (“**HKAS(s)**”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), the disclosures requirements of the Hong Kong Companies Ordinance and the applicable disclosure provision of the Listing Rules.

The unaudited consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Joint Liquidators are unable to ascertain whether the books and accounting records of the Group were properly prepared and maintained for the years of 2019 and 2018. These unaudited consolidated financial statements are prepared by Joint Liquidators based on the best information available to the Company.

2. BASIS OF PREPARATION *(Continued)*

As at 31 December 2019, the Company had two outstanding convertible notes, being Convertible Note I/Extended Convertible Note I and Convertible Note II (See Note 14 for details). The maturity date of the Extended Convertible Note I is 17 June 2020, with the outstanding principal amount recorded in the unaudited consolidated financial statements amounting to HK\$560,580,400 as of 31 December 2019. The maturity date of the Convertible Note II was 2 August 2018, with the aggregate outstanding principal and accrued default interest amount recorded in the unaudited consolidated financial statements amounting to HK\$100,176,000 as of 31 December 2019.

As at the date when the unaudited consolidated financial statements were authorised for issue, the outstanding amount and the accrued interest payable of Convertible Note II had not been settled.

On 3 May 2018, one of the holders of Extended Convertible Note I claimed that event of default had occurred on 31 December 2017 on the basis the Group had net current liabilities and net liabilities of approximately HK\$73,311,000 and approximately HK\$288,794,000, respectively as at 31 December 2017 with reference to the annual results announcement of the Company dated 29 March 2018.

On 6 July 2018, the same Extended Convertible Note I holder filed a winding up petition against the Company with the Supreme Court on the ground that an event of default had been triggered under the terms of the Extended Convertible Note I and the Company had upon demand failed to pay the amount due under the Extended Convertible Note I issued to the holder, being HK\$405,850,000.

As mentioned in Note 1 above, on 10 August 2018, an Order was granted by the Supreme Court and Joint Provisional Liquidators was appointed on 10 August 2018. On 1 February 2019, the Supreme Court granted an order to appoint the Joint Provisional Liquidators to be the Joint Liquidators.

As at the date when the unaudited consolidated financial statements were authorised for issue, the outstanding amount of Extended Convertible Note I had not been settled.

As represented by the Joint Liquidators, the Resumption Proposal was submitted to the Stock Exchange on 5 November 2019.

As at the date when the unaudited consolidated financial statements were authorised for issue, the Resumption Proposal had not yet been approved by the relevant regulatory authorities.

In addition, the Group reported a net loss attributable to the owners of the Company of approximately HK\$70,778,000 during the year ended 31 December 2019. As at 31 December 2019, the Group had net current liabilities and net liabilities of both approximately HK\$665,708,000.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

2. **BASIS OF PREPARATION** *(Continued)*

Notwithstanding the abovementioned, the unaudited consolidated financial statements have been prepared on a going concern basis. As at the date when the unaudited consolidated financial statements were authorised for issue, the Joint Liquidators are not aware of any circumstances or reasons that would likely affect the proposed restructuring. Accordingly, the Joint Liquidators consider that it is appropriate to prepare the unaudited consolidated financial statements on a going concern basis. The unaudited consolidated financial statements do not incorporate any adjustments for possible failure of the proposed restructuring and for the Group's inability to continue as a going concern. Should the Group fail to achieve the intended effects of the Resumption Proposal, it might not be able to operate as a going concern, to settle its obligations and commitments and adjustments may have to be made to reflect the situation that assets may need to be realised at amounts other than those currently recorded in the unaudited consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities.

Deconsolidation of subsidiaries

The unaudited consolidated financial statements have been prepared based on the books and records maintained by the Group. However, as a result of the winding up of Peace Map Technology Company Limited and Peace Map Management Services Limited, insufficient accounting documents are preserved by the Group, the Joint Liquidators considered that the control over these subsidiaries had been lost for the year ended 31 December 2019. The results, assets, liabilities and cash flows of these subsidiaries were deconsolidated from the unaudited consolidated financial statements of the Group for the year ended 31 December 2019.

3. APPLICATION OF NEW AND REVISED HKFRSs

New and amended standards adopted by the Group

In the current year, the Group has adopted the following new and revised HKFRSs, which include HKFRSs, HKASs, amendments and interpretations, issued by the HKICPA that are relevant to the operations to the Group and are effective for accounting periods beginning on or after 1 January 2019:–

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures

The Group has already commenced an assessment of the related impact of adopting the above new and revised HKFRSs, HKASs and interpretations. So far, it has concluded that the above new and revised HKFRSs, HKASs and interpretations will be adopted at the effective date and the adoption of them is unlikely to have a significant impact on the unaudited consolidated financial statements of the Group.

4. REVENUE

The Group's principal activities are disclosed in Note 1 to these unaudited consolidated financial statements. Turnover of the Group is the revenue from these activities.

	2019 (Unaudited) <i>HK\$'000</i>	2018 (Audited) <i>HK\$'000</i>
Revenue	15,330	145,832

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the revenue of the Group as of the date of approval of these unaudited consolidated financial statements and no disclosure of the segment information is available.

5. OTHER INCOME

	2019 (Unaudited) <i>HK\$'000</i>	2018 (Audited) <i>HK\$'000</i>
Bank interest income	12	192
Exchange gain, net	–	16
Government grants	9	3
Write-back of trade and other payables	507	389
Sundry income	–	62
	<hr/>	<hr/>
Total	528	662
	<hr/> <hr/>	<hr/> <hr/>

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the other income of the Group as of the date of approval of these unaudited consolidated financial statements.

6. OTHER GAIN AND LOSSES, NET

	2019 (Unaudited) <i>HK\$'000</i>	2018 (Audited) <i>HK\$'000</i>
Gain on disposal of financial asset at FVTPL	–	(2,373)
Loss on disposal of property, plant and equipment	23	–
Write-off of property, plant and equipment	–	239
Write-off of other intangible assets	–	10
Write-off of trade and other receivables	297	4
Loss on winding-up/deregistration of subsidiaries	549	2,955
	<hr/>	<hr/>
Total	869	835
	<hr/> <hr/>	<hr/> <hr/>

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the other gain and losses, net of the Group as of the date of approval of these unaudited consolidated financial statements.

7. FINANCE COSTS

	2019 (Unaudited) <i>HK\$'000</i>	2018 (Audited) <i>HK\$'000</i>
Interest on:–		
– Bank loans	297	1,070
– Unsecured loans and other unsecured renovation loan from a non-controlling shareholder	430	3,122
	<hr/> 727 <hr/>	<hr/> 4,192 <hr/>
Imputed interest on Extended Convertible Note I	–	132,724
Imputed interest on Convertible Note II	–	5,471
Default interest on Convertible Note II	–	176
	<hr/> – <hr/>	<hr/> 138,371 <hr/>
Total	727	142,563
	<hr/> <hr/> 727 <hr/> <hr/>	<hr/> <hr/> 142,563 <hr/> <hr/>

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the finance costs of the Group as of the date of approval of these unaudited consolidated financial statements.

8. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:–

	2019 (Unaudited) HK\$'000	2018 (Audited) HK\$'000
Staff costs (including directors' and chief executive's emoluments)		
– salaries and allowances	3,673	45,007
– retirement benefits scheme contributions (defined contribution plans)	108	9,525
	3,781	54,532
Amortisation of other intangible assets	997	7,422
Depreciation of property, plant and equipment	1,218	8,542
Auditor's remuneration	700	1,800
Loss on disposal of property, plant and equipment	23	40
Loss on disposal of other intangible assets	–	24,507
Minimum lease payments under operating leases in respect of rented land and buildings and other intangible assets	120	10,089

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the loss before taxation of the Group as of the date of approval of these unaudited consolidated financial statements.

9. INCOME TAX

	2019 (Unaudited) <i>HK\$'000</i>	2018 (Audited) <i>HK\$'000</i>
Current tax for the year		
– PRC Enterprise income tax (“EIT”)	–	–
Deferred tax for the year		
– Current year	–	–
Income tax	–	–

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the income tax of the Group as of the date of approval of these unaudited consolidated financial statements.

Pursuant to the laws and regulations of the Cayman Islands, Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands, Bermuda and the BVI as there is no income tax imposed in such jurisdiction.

Hong Kong Profits Tax is calculated at 16.5%* on the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made as there were no assessable profits generated for the years ended 31 December 2019 and 2018.

* On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at half of the original tax rate, and profits above HK\$2,000,000 will be taxed at original tax rate. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of original tax rate.

10. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2019, nor has any dividend been proposed since the end of the reporting period (2018: Nil).

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:–

Loss

	2019 (Unaudited) <i>HK\$'000</i>	2018 (Audited) <i>HK\$'000</i>
Loss for the purpose of basic and diluted loss per share – loss for the year attributable to owners of the Company	<u><u>(70,778)</u></u>	<u><u>(353,263)</u></u>

Number of shares

	2019 Number of Shares (Unaudited) <i>'000</i>	2018 Number of Shares (Audited) <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><u>8,156,781</u></u>	<u><u>8,156,781</u></u>

For the years ended 31 December 2019 and 2018, the diluted loss per share is the same as the basic loss per share.

The Company's shares have been suspended for trading since 13 August 2018. The average share price of the Company for the period from 1 January 2018 to 10 August 2018 (the last trading day of the Company's shares) was HK\$0.07, in the opinion of the Joint Liquidators, the share options and conversion options were lapsed on 10 August 2018.

The computation of diluted loss per share for the years ended 31 December 2019 and 2018 did not assume the exercise of the Company's share options as the exercise prices of the share options were higher than the average market price for shares. The computation of diluted loss per share for the years ended 31 December 2019 and 2018 did not assume the conversion of the Company's outstanding convertible notes as the conversion price of the convertible notes would result in a decrease in loss per share for the period when those conversion options were outstanding.

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the loss per share of the Group as of the date of approval of these unaudited consolidated financial statements.

12. TRADE AND OTHER RECEIVABLES

	2019 (Unaudited) HK\$'000	2018 (Audited) HK\$'000
Trade receivables	–	89,569
Less: allowance for expected credit loss (“ECL”)	–	(18,160)
	<u>–</u>	<u>71,409</u>
Prepayments and deposits	–	15,118
Amount due from non-controlling shareholders	–	3,705
	<u>–</u>	<u>18,823</u>
Other receivables	–	93,274
Less: allowance for ECL	–	(7,371)
	<u>–</u>	<u>85,903</u>
Total trade and other receivables	<u>–</u>	<u>176,135</u>

The Group had a policy of allowing credit period to its customers, ranging from 90 to 180 days (2018: 90 to 180 days). The Group may, on a case by case basis and after evaluation of the business relationship and creditworthiness, extend the credit period of certain government related entities and normally over 1 year as low default risk.

The Group has no trade and other receivables as at 31 December 2019.

During the year ended 31 December 2019, allowance for ECL of trade receivables and other receivables are both HK\$Nil (2018: HK\$447,000 and HK\$3,089,000 respectively).

The information of aged analysis of trade receivables as at 31 December 2018 was not available.

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the trade and other receivables of the Group as of the date of approval of these unaudited consolidated financial statements.

13. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period.

	2019 (Unaudited) <i>HK\$'000</i>	2018 (Audited) <i>HK\$'000</i>
Trade payables aged		
Within 90 days	–	22,369
91 to 180 days	–	17,092
181 to 365 days	–	33,980
Over 365 days	–	188,682
	<hr/>	<hr/>
	–	262,123
	<hr/>	<hr/>
Other tax payables	–	29,671
Other payables and accruals	6,626	30,692
	<hr/>	<hr/>
	6,626	322,486
	<hr/> <hr/>	<hr/> <hr/>

The credit period granted by suppliers and sub-contractors was normally 90 to 180 days as at 31 December 2019 (2018: 90 to 180 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the trade and other payables of the Group as of the date of approval of these unaudited consolidated financial statements.

14. CONVERTIBLE NOTES

	2019 (Unaudited) HK\$'000	2018 (Audited) HK\$'000
Convertible Note I/Extended Convertible Note I (<i>Note a</i>)		
Liability component	560,580	560,580
Equity component	—	—
	<u>560,580</u>	<u>560,580</u>
Convertible Note II (<i>Note b</i>)		
Liability component	100,176	100,176
Equity component	—	—
	<u>100,176</u>	<u>100,176</u>
Analysed for reporting purpose:		
Current portion	660,756	660,756
Non-current portion	—	—
	<u>660,756</u>	<u>660,756</u>

Notes:—

- a. Convertible Note I was issued on 17 June 2010. On 17 June 2015, the maturity date of Convertible Note I was extended to 17 June 2020 (“**Extended Convertible Note I**”). The above amounts represent outstanding principal amount of approximately HK\$560,580,000 (2018: HK\$560,580,000) as at 31 December 2019.
- b. Convertible Note II was issued on 2 August 2013 and 26 March 2014. The above amounts represent outstanding principal and accrued default interest amount of HK\$100,176,000 as at 31 December 2019 (2018: principal and accrued default interest amount of HK\$100,176,000).

In the opinion of the Joint Liquidators, as at 31 December 2019, both Extended Convertible Note I and Convertible Note II are in default and the conversion options of these convertible notes are lapsed upon the date of Order and the appointment of Joint Provisional Liquidators.

As disclosed in Note 1, on the basis that the relevant books and records are incomplete, no representation is made by the Company as to the accuracy, completeness, occurrence, cut-off and classification of the convertible notes of the Group as of the date of approval of these unaudited consolidated financial statements.

15. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, there are certain updates on the Group’s business and financial restructuring in progress, and further details of which are stated in Note 1 to this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

APPOINTMENT OF THE JOINT LIQUIDATORS AND WINDING UP OF THE COMPANY

On 9 July 2018, Peace Map Holding Limited (In Liquidation) (the “**Company**”) received a letter from Diamond Wealth Holdings Limited which stated that it had filed a winding up petition against the Company with the Supreme Court of Bermuda (the “**Supreme Court**”) on 6 July 2018 on the ground that an event of default has taken place under the terms of the Convertible Notes due 2020 and the Company has upon demand failed to pay the amount due under the Convertible Notes due 2020 issued to it, being HK\$405,850,000.

On 10 August 2018, the Supreme Court ordered the Company be wound up under the provisions of section 161(e) of the Bermuda Companies Act 1981 and Mr. Keiran Hutchison of EY Bermuda Limited, together with Mr. David Yen Ching Wai and Ms. Anita So Kit Yee of Ernst & Young Transactions Limited be appointed as the joint provisional liquidators of the Company.

On 1 February 2019, the Supreme Court granted an order to appoint Mr. David Yen Ching Wai, Ms. Anita So Kit Yee and Mr. Keiran Hutchison as Joint Liquidators (the “**Joint Liquidators**”) of the Company with a committee of inspection which is comprised of 5 members.

RESTRUCTURING OF THE COMPANY

Suspension of Trading in Shares of the Company

Trading in the shares on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) has been suspended from 9:00 a.m. on 13 August 2018.

Delisting Status

Under Rule 6.01A of the rules governing the listing of securities on the Stock Exchange (the “**Listing Rules**”), the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months.

Resumption Proposal of the Company

References are made to the announcements of the Company dated 12 November 2019.

On 21 September 2018, the Company received a letter from the Stock Exchange, in which the Stock Exchange sets out the following resumption guidance for the Company:–

- (i) demonstrate its compliance with Rule 13.24 of the Listing Rules;
- (ii) have the winding up petitions against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged;
- (iii) publish all outstanding financial results and address all audit modifications; and
- (iv) inform the market of all material information for the Company's shareholders and other investors to appraise its positions.

The Stock Exchange further indicated that it may modify or supplement the resumption guidance if the Company's situation changes.

On 5 November 2019, a resumption proposal (the “**Resumption Proposal**”) has been submitted to the Stock Exchange seeking its approval for the resumption of trading in the shares of the Company.

In support of the submission of the Resumption Proposal, the Company proposed to enter into a conditional legally binding sale and purchase agreement with a third party regarding the acquisition of a company principally engaged in granite dimension stone mining and processing in Malaysia (the “**Possible Acquisition**”). It is expected that the Possible Acquisition, if materialise, shall constitute a very substantial acquisition and reverse takeover involving a new listing application of the Company under the Listing Rules.

In addition to the Possible Acquisition, the Resumption Proposal also includes, among other things, a capital reorganisation, a share offer including public offer and placing of new shares of the Company and a scheme of arrangement to be made between the Company and its creditors.

On 23 March 2020, the Company received a letter from the Stock Exchange stating that given the Company's failure to fulfil all the resumption conditions/guidance to the satisfaction of the Stock Exchange and resume trading in the Company's shares by 12 February 2020, the Stock Exchange will on 26 March 2020 recommend the listing committee to cancel the listing of the Company. On 24 March 2020, the Company wrote to the Stock Exchange for an extension to fulfil all the resumption conditions/guidance.

On 27 March 2020, the Investors, the Company and the Joint Liquidators entered into the Sale and Purchase Agreement in relation to the Proposed Acquisition.

The Company has received a Decision Letter from the Stock Exchange dated 27 March 2020 stating the Delisting Decision. It is indicated in the Decision Letter that, unless the Company applies for a review of the Delisting Decision in accordance with its rights under Chapter 2B, the last day of listing of the Shares will be on 14 April 2020 and the listing of the Shares on the Stock Exchange will be cancelled with effect from 9:00 a.m. on 15 April 2020.

Under Chapter 2B of the Listing Rules, the Company has the right to request the Delisting Decision be referred to the Listing Review Committee for review.

The Company is considering the Delisting Decision and will continue to seek appropriate advice from its professional advisers on the same. The Company may consider submitting a review request for the Delisting Decision to the secretary of the Listing Review Committee of the Stock Exchange pursuant to Rule 2B.06(2) of the Listing Rules for a review of the Decision.

FINANCIAL REVIEW

Due to the incomplete books and records and serious doubts over the reliability of the Group's accounting books and records, the Joint Liquidators are not in a position to confirm the completeness, existence and accuracy of the historical results of the Group. As such, the information below has been presented and/or prepared to the best knowledge of the Joint Liquidators based on the information available to them to date.

Overall Result

Based on the abovementioned basis and the books and records available to the Joint Liquidators, for the year ended 31 December 2019, the Group had recorded revenue of approximately HK\$15.33 million (2018: HK\$145.83 million) and the Group's net loss was HK\$74.35 million, representing a decrease in loss of about HK\$335.41 million as compared to the Group's net loss of approximately HK\$409.76 million in the corresponding year.

Deconsolidation of Companies Lost Control

Since the books and records of the Company's two subsidiaries are not available to the Joint Liquidators, the Joint Liquidators cannot ascertain the financial position of those subsidiaries for the year ended 31 December 2019. Together with the fact that the Company has lost control over those subsidiaries, the Joint Liquidators is of the view that those subsidiaries should be deconsolidated from the Group with effect for the year end 31 December 2019.

Liquidity and Financial Resources

As at 31 December 2019, cash and cash equivalent of the Group were HK\$1.67 million (2018: HK\$17.03 million).

As at 31 December 2019 and 2018, the Group's gearing ratio could not be determined by the Joint Liquidators because there was a deficit of equity attributable to owners of the Company. The gearing ratio was calculated by dividing total borrowings, net of cash and cash equivalents, and pledged bank deposits by total equity.

Assets and Liabilities

As at 31 December 2019, the Group had total assets of approximately HK\$1.67 million (2018: HK\$448.52 million). The net liabilities of the Group as at 31 December 2019 were approximately HK\$665.71 million (2018: HK\$682.18 million).

Capital Structure

As at 31 December 2019, there were 8,156,781,100 ordinary shares in issue (2018: 8,156,781,100).

Charges on Group Assets

There is insufficient information available to the Company to ascertain whether there were any charged assets at a Group level as at 31 December 2019.

Significant Investments, and Acquisition

Based on the information available to the Joint Liquidators, the Group did not have any significant investments nor did it make any material acquisitions or disposal of associates throughout the year ended 31 December 2019.

As disclosed in Note 1, the Company disposed of its entire equity interests in Jichang Group at a consideration of HK\$10,000,000 to an independent third party, and the amounts owing by/to Jichang Group to/by the Company of approximately HK\$279.69 million have been waived on the date of disposal.

Contingent Liabilities

There is insufficient information available to the Company to ascertain whether the Group and the Company had any significant contingent liabilities as at 31 December 2019.

As at the date of these unaudited consolidated financial statements and based on the proofs of debts, the Joint Liquidators received a total of 13 proofs of debts claiming an aggregate amount of approximately HK\$652.27 million against the Company.

Employees and Remuneration Policies

There is insufficient information available to the Company to ascertain the number of employees of the Group as at 31 December 2019. Total staff costs, including emoluments for the year amounted to approximately HK\$3.78 million (2018:HK\$54.53 million). The Joint Liquidators understand that the Group remuneration policies are primarily based on the prevailing market salary levels and the performance of the Group and of the individuals concerned. In addition to salary payments, other staff benefits include performance bonuses, education subsidies, provident funds, medical insurance and the use of share option schemes to recognise and acknowledge contribution made or potentially to be made to the business development of the Group to its employees prior to the liquidation of the Group.

Share Option Scheme

The share options were lapsed upon the date of Order.

Foreign Currency Exposure

Based on the information available to the Joint Liquidators, the Group and the Company did not use any foreign currency derivative product to hedge the exposure to currency risk for the year ended 31 December 2019.

PROSPECTS

Upon the completion of the Resumption Proposal and the Creditors Scheme taking effect, all the claims against the Company by Creditors will be discharged and compromised in full. Most of the subsidiaries of the Company will be identified as excluded companies and will be transferred to a special purpose vehicle to be held by the scheme administrator(s) and will cease to be subsidiaries of the Company.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding.

CORPORATE GOVERNANCE PRACTICES

The Joint Provisional Liquidators and Joint Liquidators were appointed as on 10 August 2018 and 1 February 2019 pursuant to two separate Orders of the Supreme Court. After their respective appointments, certain books and records of the Company and its subsidiaries cannot be obtained and accessed.

During the year ended 31 December 2019, based on the limited information available, the Company appears to comply with the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report stipulated by the Stock Exchange in Appendix 14 of the Listing Rules, except for the following:–

- The chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the presence of the executive directors, during the reporting period. The Joint Liquidators are unable to verify whether any meeting held during the reporting period.
- An issuer must include at least three independent non-executive directors, with at least one of the independent non-executive directors having appropriate professional qualifications or accounting or related financial management expertise, and the number of independent non-executive directors must represent at least one-third of the Board pursuant to the Listing Rules 3.10(1) and (2), and 3.10A. The Joint Liquidators are unable to verify whether they have with appropriate qualifications or accounting or related financial management expertise.
- An issuer must present the Environmental, Social and Governance Report (the “**ESG Report**”) in its annual report pursuant to the Listing Rules 13.91. However, the Company is unable to present the required ESG Report in its annual report due to the limited information available to the Joint Liquidators in relation to the reporting period.
- Pursuant to the Listing Rules 3.21, an audit committee should comprise non-executive directors only. Subsequent to the winding up of the Company, the audit committee has not been maintained.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2019 has not been completed due to restrictions in force in parts of China to combat the COVID-19 coronavirus outbreak. The unaudited annual results contained herein have not been agreed by the Company's auditor. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants. The unaudited annual results as set out in this announcement have been reviewed and agreed by the Joint Liquidators.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited results for the year ended 31 December 2019 as agreed by the Company's auditor and the material differences (if any) as compared with the unaudited annual results contained herein, (ii) the proposed date on which the forthcoming annual general meeting will be held, and (iii) the period during which the register of members holding ordinary shares will be closed in order to ascertain shareholders' eligibility to attend and vote at the said meeting (and the proposed arrangements relating to dividend payment, if any). In addition, the Company will issue further announcement(s) as and when necessary if there is other material development in the completion of the auditing process. The Company expects to issue the annual report in mid of May 2020.

AUDIT COMMITTEE REVIEW

Subsequent to the winding up of the Company, an audit committee has not been maintained. The audit committee has not reviewed the annual results.

DIVIDENDS

No dividend is declared for the year ended 31 December 2019 (2018: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

To the best knowledge of the Joint Liquidators, neither the Company nor the subsidiaries has purchased, sold, or redeemed any of the Company's shares during the year ended 31 December 2019.

PUBLICATION OF RESULT ANNOUNCEMENT AND REPORT

This unaudited result announcement is available for viewing on the website of HKSE at <https://www.hkexnews.hk>. The 2019 consolidated annual report will be available on the website of the Stock Exchange at the earliest practicable opportunity, in mid of May 2020.

The Joint Liquidators have presented in these financial statements the financial information prepared by the Company's former management and based on all available information to the extent provided to them in their capacity of Joint Liquidators subsequent to their appointments. The Joint Liquidators note that the historical information in respect of the Company prior to their appointments as provided to them may not be complete and sufficient to establish an accurate and reliable view of the historical transactions, trading and financial position and may contain error. The Joint Liquidators provide no assurance for the financial statements, financial position and results contained herein which are presented solely for the purpose of meeting the listing requirements. The Joint Liquidators do not accept or assume responsibility for these financial statements for any purpose or to any person to whom these financial statements are shown or into whose hands they may come.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on Monday, 13 August 2018 and will remain suspended until further notice.

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, 31 March 2020

As at the date of this announcement, the executive directors of the Company are 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.