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**PEACE MAP HOLDING LIMITED**

**天下圖控股有限公司**

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

**(Stock code: 402)**

**INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

**RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Peace Map Holding Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2017 together with the comparative figures for the corresponding period in 2016 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2017

		Six months ended	
		30 June	
		2017	2016
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
			(Restated)
<b>Continuing operations</b>			
Revenue	4	96,372	120,822
Cost of revenue		<u>(96,805)</u>	<u>(97,737)</u>
Gross (loss) profit		(433)	23,085
Other income	4	3,611	661
Selling and distribution expenses		(17,616)	(5,471)
Administrative and other operating expenses		(41,043)	(52,338)
Share of results of associates		(1,038)	1,032
Impairment loss of goodwill	13	(169,466)	–
Other gain and losses, net	6	<u>467</u>	<u>(6,095)</u>
Operating loss		(225,518)	(39,126)
Finance costs	7	<u>(28,339)</u>	<u>(25,319)</u>
Loss before taxation	8	(253,857)	(64,445)
Income tax (expense) credit	9	<u>(1,422)</u>	<u>2,827</u>
Loss for the period from continuing operations		(255,279)	(61,618)
<b>Discontinued operation</b>			
Profit for the period from discontinued operation	10	<u>–</u>	<u>3,257</u>
Loss for the period		<u><u>(255,279)</u></u>	<u><u>(58,361)</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS** *(Continued)*  
for the six months ended 30 June 2017

		<b>Six months ended</b>	
		<b>30 June</b>	
		<b>2017</b>	2016
		<b>(Unaudited)</b>	(Unaudited)
<i>Notes</i>		<b>HK\$'000</b>	<i>HK\$'000</i>
			(Restated)
(Loss) profit for the period attributable to owners of the Company:			
	– from continuing operations	<b>(249,683)</b>	(42,159)
	– from discontinued operation	–	3,244
		<hr/>	<hr/>
Loss for the period attributable to owners of the Company		<b>(249,683)</b>	(38,915)
		<hr/>	<hr/>
(Loss) profit for the period attributable to non-controlling interests:			
	– from continuing operations	<b>(5,596)</b>	(19,459)
	– from discontinued operation	–	13
		<hr/>	<hr/>
Loss for the period attributable to non-controlling interests		<b>(5,596)</b>	(19,446)
		<hr/>	<hr/>
		<b>(255,279)</b>	(58,361)
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK cents</i>	<i>HK cents</i>
<b>Loss per share</b>			
From continuing and discontinued operations			
	– Basic and diluted	<b>(3.06)</b>	(0.48)
		<hr/> <hr/>	<hr/> <hr/>
From continuing operations			
	– Basic and diluted	<b>(3.06)</b>	(0.52)
		<hr/> <hr/>	<hr/> <hr/>

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

*for the six months ended 30 June 2017*

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2017</b>	2016
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Loss for the period	<u>(255,279)</u>	<u>(58,361)</u>
<b>Other comprehensive income (expense) for the period</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange difference arising from translation of overseas operations	<u>27,653</u>	<u>(28,928)</u>
<b>Total comprehensive expense for the period</b>	<u><b>(227,626)</b></u>	<u><b>(87,289)</b></u>
<b>Total comprehensive expense for the period attributable to:</b>		
Owners of the Company	<u>(223,378)</u>	<u>(66,925)</u>
Non-controlling interests	<u>(4,248)</u>	<u>(20,364)</u>
	<u><b>(227,626)</b></u>	<u><b>(87,289)</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

		As at 30 June 2017 (Unaudited) HK\$'000	As at 31 December 2016 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		45,311	42,553
Interests in associates		10,492	11,697
Goodwill	13	253,133	404,076
Other intangible assets	14	233,583	230,466
Available-for-sale investment		4,606	4,465
Deferred tax assets		50	48
		<hr/>	<hr/>
		547,175	693,305
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		857	886
Amounts due from customers of contract works		232,452	221,097
Trade and other receivables	15	190,263	179,336
Finance lease receivables		2,073	2,010
Tax recoverable		6	6
Pledged bank deposits		3	197
Bank balances and cash		111,878	158,582
		<hr/>	<hr/>
		537,532	562,114
		<hr/>	<hr/>
<b>Current liabilities</b>			
Amounts due to customers of contract works		–	11,902
Trade and other payables	16	295,185	258,107
Amounts due to non-controlling shareholders		10,926	74,632
Amounts due to associates		41,079	44,135
Tax payables		2,302	5,648
Borrowings		35,789	30,624
		<hr/>	<hr/>
		385,281	425,048
		<hr/>	<hr/>
<b>Net current assets</b>		152,251	137,066
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		699,426	830,371
		<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**as at 30 June 2017*

	<b>As at 30 June 2017 (Unaudited) HK\$'000</b>	<b>As at 31 December 2016 (Audited) HK\$'000</b>
	<i>Notes</i>	
<b>Non-current liabilities</b>		
Amount due to a non-controlling shareholder	74,187	6,168
Borrowings	646	626
Convertible notes	494,902	469,282
Deferred income	501	264
Deferred tax liabilities	22,282	19,497
	<hr/>	<hr/>
	<b>592,518</b>	495,837
	<hr/>	<hr/>
<b>Net assets</b>	<b>106,908</b>	334,534
	<hr/> <hr/>	<hr/> <hr/>
<b>Equity</b>		
Share capital	2,039,195	2,039,195
Reserves	(1,979,892)	(1,756,514)
	<hr/>	<hr/>
Equity attributable to owners of the Company	<b>59,303</b>	282,681
Non-controlling interests	47,605	51,853
	<hr/>	<hr/>
<b>Total equity</b>	<b>106,908</b>	334,534
	<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*for the six months ended 30 June 2017*

## 1. GENERAL INFORMATION

Peace Map Holding Limited (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 “**Change of Domicile**”). The address of the registered office of the Company was Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands before the Change of Domicile and is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda on or after the Change of Domicile. The address of its principal place of business in Hong Kong is Rooms 2807-08, 28th Floor, Bank of America Tower, No. 12 Harcourt Road, Hong Kong.

The Company and its subsidiaries (collectively referred as the “**Group**”) are principally engaged in geographic information business in the People’s Republic of China (the “**PRC**”) including aerial photography and remote sensing image data collection (the “**data collection**”), provision of geospatial data processing services, softwares and solutions (the “**business application and services**”) and development and sales of high-end surveying and mapping equipment (the “**development and sales of equipment**”). During the six months ended 30 June 2016, the Group was also engaged in mining and exploration of mineral resources in Mongolia (the “**mining and exploration business**”) which was discontinued upon the completion of the disposal of Fast Billion Investments Limited (“**Fast Billion**”), which together with its subsidiaries (collectively referred to as the “**Fast Billion Group**”), on 20 September 2016 (the “**Disposal**”). Details are set out in note 10.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2017 have been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

## 3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2016.

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**new and revised HKFRSs**”) issued by the HKICPA which are effective for the Group’s financial year beginning on 1 January 2017:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Except as described below, the application of other new and revised HKFRSs in the current interim period has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

#### Amendments to HKAS 7 Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific method to fulfil the new disclosure requirements. However, the amendments indicate that one way is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The application of amendments to HKAS 7 results in additional disclosures on the Group’s financing activities, especially reconciliation between the opening and closing balances for liabilities arising from financing activities. The Group will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017. On initial application of the amendments, the Group is not required to provide comparative information for preceding periods.

### 4. REVENUE AND OTHER INCOME

An analysis of the Group’s revenue for the period from continuing operations is as follows:

	Six months ended	
	30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$’000	HK\$’000
Business application and services	72,980	88,989
Data collection	23,136	27,667
Development and sales of equipment	256	4,166
<b>Total</b>	<b>96,372</b>	<b>120,822</b>



#### 4. REVENUE AND OTHER INCOME (Continued)

	Six months ended	
	30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(Restated)
<b>Continuing operations</b>		
Bank interest income	180	345
Government grants ( <i>note i</i> )	1,996	–
Rental income	–	316
Sundry income	1,337	–
Exchange gain, net	98	–
	<hr/>	<hr/>
<b>Total</b>	<b>3,611</b>	<b>661</b>
	<hr/> <hr/>	<hr/> <hr/>

*Note:*

- (i) During the six months ended 30 June 2017, government grants of approximately RMB1,765,000 (equivalent to approximately HK\$1,996,000) (six months ended 30 June 2016: nil) were granted in respect of certain research projects, the relevant granting criteria for which have been fulfilled and were immediately recognised as other income.

#### 5. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the board of directors, being the chief operating decision-maker, for the purposes of resource allocation, strategic decisions making and assessment of segment performance focuses on type of goods or services provided are as follows:

- (1) Business application and services;
- (2) Data collection; and
- (3) Development and sales of equipment.

Operating segment regarding the mining and exploration business was discontinued in 2016. The segment information reported does not include any amounts for this discontinued operation, details which are described in note 10.

## 5. SEGMENT INFORMATION (Continued)

### Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment:

### For the six months ended 30 June 2017 (Unaudited)

#### Continuing operations

	Business application and services <i>HK\$'000</i>	Data collection <i>HK\$'000</i>	Development and sales of equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	<u>72,980</u>	<u>23,136</u>	<u>256</u>	<u>96,372</u>
Impairment loss of goodwill	–	(137,577)	(31,889)	(169,466)
Amortisation and depreciation	(13,494)	(4,073)	(182)	(17,749)
Segment loss	<u>(9,952)</u>	<u>(144,937)</u>	<u>(32,047)</u>	<u>(186,936)</u>
Other income				1,615
Share of results of associates				(1,038)
Finance costs				(28,339)
Central administrative costs				<u>(39,159)</u>
Loss before taxation				<u><u>(253,857)</u></u>

## 5. SEGMENT INFORMATION (Continued)

### Segment revenue and results (Continued)

For the six months ended 30 June 2016 (Unaudited)

#### Continuing operations

	Business application and services <i>HK\$'000</i>	Data collection <i>HK\$'000</i>	Development and sales of equipment <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)
Revenue from external customers	88,989	27,667	4,166	120,822
Amortisation and depreciation	(21,167)	(6,580)	(944)	(28,691)
Segment profit (loss)	6,948	53	(7,566)	(565)
Other income				661
Share of results of associates				1,032
Loss on deregistration of a subsidiary				(4,718)
Finance costs				(25,319)
Central administrative costs				(35,536)
Loss before taxation				(64,445)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) profit from each segment without allocation of central administrative costs, directors' salaries, certain other income, loss on deregistration of a subsidiary, finance costs and share of results of associates. This is the measure reported to the board of directors, being the chief operating decision maker, for the purposes of resources allocation and performance assessment.

There were no inter-segment sales between different business segments for the six months ended 30 June 2017 and 30 June 2016.

## 5. SEGMENT INFORMATION (Continued)

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	<b>30 June</b> <b>2017</b> <b>(Unaudited)</b> <b>HK\$'000</b>	31 December 2016 (Audited) HK\$'000
<b>Segment assets</b>		
Business application and services	456,206	435,742
Data collection	371,514	501,620
Development and sales of equipment	36,155	64,135
	<hr/>	<hr/>
Total segment assets	863,875	1,001,497
Unallocated corporate assets	220,832	253,922
	<hr/>	<hr/>
Total assets	<b>1,084,707</b>	<b>1,255,419</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Segment liabilities</b>		
Business application and services	172,427	125,988
Data collection	48,506	68,853
Development and sales of equipment	2,915	2,235
	<hr/>	<hr/>
Total segment liabilities	223,848	197,076
Unallocated corporate liabilities	753,951	723,809
	<hr/>	<hr/>
Total liabilities	<b>977,799</b>	<b>920,885</b>
	<hr/> <hr/>	<hr/> <hr/>

## 5. SEGMENT INFORMATION *(Continued)*

### Segment assets and liabilities *(Continued)*

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, available-for-sale investment, deferred tax assets, tax recoverable, certain corporate assets, pledged bank deposits and bank balances and cash as these assets are managed on a group basis. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.
- all liabilities are allocated to operating segments other than tax payables, amounts due to non-controlling shareholders/associates, deferred tax liabilities, borrowings, convertible notes and certain corporate liabilities as these liabilities are managed on a group basis. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

## 6. OTHER GAIN AND LOSSES, NET

	Six months ended	
	30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(Restated)
<b>Continuing operations</b>		
Reversal of loss on uncertainty in respect of collectibility of amounts due from customers of contract works	378	–
Reversal of impairment loss of trade receivables	89	5,881
Impairment loss of trade receivables	–	(7,258)
Loss on deregistration of a subsidiary	–	(4,718)
<b>Total</b>	<b>467</b>	<b>(6,095)</b>

## 7. FINANCE COSTS

	Six months ended 30 June	
	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i>
<b>Continuing operations</b>		
Interest charges on:		
– Bank loans	986	720
– Other loans	1,733	1,466
	<u>2,719</u>	<u>2,186</u>
Imputed interest on convertible notes	25,620	23,133
<b>Total</b>	<b><u>28,339</u></b>	<b><u>25,319</u></b>

## 8. LOSS BEFORE TAXATION

Loss before taxation for the period has been arrived at after charging:

	Six months ended 30 June	
	2017 (Unaudited) <i>HK\$'000</i>	2016 (Unaudited) <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Staff costs (including directors' emoluments)		
– salaries, allowances and benefits in kind	30,259	25,462
– retirement benefits scheme contributions (defined contribution plan)	4,725	4,515
	<u>34,984</u>	<u>29,977</u>
Amount of inventories recognised as an expense	32	1,850
Amortisation of other intangible assets	14,199	22,488
Depreciation of property, plant and equipment	3,982	6,203
Exchange losses, net	–	3,028
Write-off of inventories (included in the cost of revenue)	–	304
Net loss on disposal of property, plant and equipment	2	–
Write-off of property, plant and equipment	–	30
Minimum lease payments under operating leases in respect of rented land and buildings and other intangible assets	6,172	12,048
	<b><u>6,172</u></b>	<b><u>12,048</u></b>

## 9. INCOME TAX EXPENSE (CREDIT)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual (loss) earnings. The major components of income tax expense (credit) in the condensed consolidated statement of profit or loss and other comprehensive income are:

	Six months ended	
	30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Continuing operations</b>		
Current tax		
– PRC Enterprise income tax	280	205
Deferred tax		
– Current period	1,142	(3,032)
<b>Income tax expense (credit)</b>	<b>1,422</b>	<b>(2,827)</b>

## 10. DISCONTINUED OPERATION

The Group entered into a sale and purchase agreement with an independent third party (the “Acquirer”) to dispose of the Fast Billion Group, which carried out all of the Group’s mining and exploration business. The Disposal was effected in order to generate cash flows for the expansion of the Group’s other businesses. The Disposal was completed on 20 September 2016, on which date the control of the Fast Billion Group was passed to the Acquirer.

## 10. DISCONTINUED OPERATION (Continued)

The results of the mining and exploration business for the period from 1 January 2016 to 30 June 2016, which have been included in the condensed consolidated statement of profit (credit) or loss, were as follows:

	Six months ended	
	30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue	—	—
Other income	—	220
Gain on disposal of a subsidiary	—	5,756
Other loss	—	(175)
Administrative and other operating expenses	—	(2,544)
	<hr/>	<hr/>
Profit before taxation	—	3,257
Income tax expense (note)	—	—
	<hr/>	<hr/>
Profit for the period	—	3,257
	<hr/>	<hr/>
<b>Profit for the period from discontinued operation include the following:</b>		
Impairment loss of exploration and evaluation assets	—	(175)
	<hr/> <hr/>	<hr/> <hr/>

*Note:*

Subsidiaries incorporated in Mongolia are subject to Mongolian income tax which is calculated at the rate of 10% on the first 3 billion MNT of taxable income and 25% on the amount in excess thereof. No provision for income tax has been made as there were no assessable profits during the six months ended 30 June 2017 and 30 June 2016.



## 10. DISCONTINUED OPERATION *(Continued)*

Net cash inflow arising from discontinued operation is as follows:

	Six months ended	
	30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Operating activities	–	(5,430)
Investing activities	–	5,581
Financing activities	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>151</u>

## 11. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2017, nor has any dividend been proposed since the end of the interim reporting period (six months ended 30 June 2016: nil).

## 12. LOSS PER SHARE

### (a) From continuing and discontinued operations

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

#### Loss

	Six months ended	
	30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the purpose of basic and diluted loss per share		
– loss for the period attributable to owners of the Company	<u>(249,683)</u>	<u>(38,915)</u>

## 12. LOSS PER SHARE (Continued)

### (a) From continuing and discontinued operations (Continued)

#### Number of shares

	Six months ended	
	30 June	
	2017	2016
	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>8,156,781</b>	8,156,781

### (b) From continuing operations

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

#### Loss

	Six months ended	
	30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period attributable to owners of the Company	<b>(249,683)</b>	(38,915)
Less: profit for the period attributable to owners of the Company from discontinued operation	—	(3,244)
Loss for the purpose of basic and diluted loss per share from continuing operations	<b>(249,683)</b>	(42,159)

The denominators used are the same as those detailed above for basic and diluted loss per share.

## 12. LOSS PER SHARE *(Continued)*

### (c) From discontinued operation

Basic and diluted earnings per share for the discontinued operation attributable to the owners of the Company is HK0.04 cents per share for the six months ended 30 June 2016 (six months ended 30 June 2017: nil), based on the profit for the six months ended 30 June 2016 from the discontinued operation of approximately HK\$3,244,000 (six months ended 30 June 2017: nil) and the denominators detailed above for both basic and diluted profit per share.

The computation of diluted loss per share for the six months ended 30 June 2017 and 30 June 2016 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 six months ended 30 June 2017 and 30 June 2016 did not assume the conversion of the Company's outstanding convertible notes as the conversion of the convertible notes would result in a decrease in loss per share.

## 13. GOODWILL

The carrying amount of goodwill was related to the cash-generating unit ("CGU") of the operating segments under Sinbo Investment Limited ("**Sinbo**") and its subsidiaries (collectively referred to as "**Sinbo Group**") in geographic information business.

The recoverable amount of the goodwill attributable to the Sinbo Group of approximately HK\$253,133,000 (31 December 2016: approximately HK\$404,076,000) has been determined based on the fair value less cost of disposal using market approach. Fair value was determined with reference to a valuation report prepared by Roma Appraisals Limited, an independent valuer not connected to the Group based on the price-to-earnings multiples ("**P/E Multiple**") of comparable companies with similar business nature and operations as the CGU. The average P/E Multiple of 36 (31 December 2016: 50) and marketability discount rate of 21% (31 December 2016: 21%) and control premium of 40% (31 December 2016: 40%) were used. Other key estimation included the cost of disposal based on estimation by the management of the Group. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the respective CGUs to exceed its recoverable amount. During the six months ended 30 June 2017, impairment loss of approximately HK\$169,466,000 (six months ended 30 June 2016: nil) was recognised in profit or loss.

The level in the fair value hierarchy in arriving at the above recoverable amount is considered under Level 2 with observable inputs for the assets directly or indirectly.

## 14. OTHER INTANGIBLE ASSETS

During the six months ended 30 June 2017, the Group incurred capital expenditure of approximately HK\$10,931,000 (six months ended 30 June 2016: approximately HK\$16,393,000) in respect of deferred development cost.

## 15. TRADE AND OTHER RECEIVABLES

	As at 30 June 2017 (Unaudited) <i>HK\$'000</i>	As at 31 December 2016 (Audited) <i>HK\$'000</i>
Trade receivables		
– from third parties	97,479	101,865
– from a non-controlling shareholder	14,120	13,688
	<u>111,599</u>	<u>115,553</u>
Less: accumulated impairment loss	(13,144)	(12,831)
	<u>98,455</u>	<u>102,722</u>
Amounts due from non-controlling shareholders	3,171	3,075
Amounts due from associates	1,250	452
Prepayments and deposits	46,571	34,456
	<u>50,992</u>	<u>37,983</u>
Other receivables	45,273	42,952
Less: accumulated impairment loss	(4,457)	(4,321)
	<u>40,816</u>	<u>38,631</u>
<b>Total trade and other receivables</b>	<b><u>190,263</u></b>	<b><u>179,336</u></b>

The Group did not hold any collateral over the trade and other receivables.

The Group has a policy of allowing credit period to its customers, ranging from 90 to 180 days as at 30 June 2017 (31 December 2016: 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 which is normally over 1 year for its low default risk.

## 15. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of trade receivables, net of allowance for impairment loss of trade receivables, presented based on invoice date, as at the end of the reporting period:

	As at <b>30 June</b> <b>2017</b> <b>(Unaudited)</b> <i>HK\$'000</i>	As at 31 December 2016 (Audited) <i>HK\$'000</i>
Within 90 days	26,214	38,869
91 to 180 days	3,149	6,649
181 to 365 days	25,773	14,700
Over 365 days	43,319	42,504
	<hr/> <b>98,455</b> <hr/>	<hr/> 102,722 <hr/>

## 16. TRADE AND OTHER PAYABLES

Details of the trade and other payables including an aged analysis of trade payables presented, based on invoice date, as at the end of the reporting period are as follows:

	As at <b>30 June</b> <b>2017</b> <b>(Unaudited)</b> <i>HK\$'000</i>	As at 31 December 2016 (Audited) <i>HK\$'000</i>
Trade payables aged		
Within 90 days	77,832	74,171
91 to 180 days	20,951	19,228
181 to 365 days	85,799	32,297
Over 365 days	39,267	59,214
	<hr/> <b>223,849</b> <hr/>	<hr/> 184,910 <hr/>
Other payables and accruals	71,336	73,197
	<hr/> <b>295,185</b> <hr/>	<hr/> 258,107 <hr/>

The credit period granted by suppliers and sub-contractors is normally 90 to 180 days as at 30 June 2017 (31 December 2016: 90 to 180 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

## 17. EVENTS AFTER THE REPORTING PERIOD

- (a) As announced by the Company on 2 June 2017, the Company proposed to effect:
- (i) a cancellation of the entire amount of approximately HK\$1,087,267,000 standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company (the “**Cancellation of Share Premium Account**”);
  - (ii) a capital reorganisation (the “**Capital Reorganisation**”) which involves the followings:
    - the issued share capital of the Company would be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.24 on each of the issued share such that the nominal value of each issued share would be reduced from HK\$0.25 to HK\$0.01 (the “**Capital Reduction**”);
    - immediately following the Capital Reduction taking effect, all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) would be cancelled in its entirety and forthwith upon such cancellation, the authorised share capital of the Company would be increased to HK\$7,500,000,000 by the creation of such number of additional new shares (the “**New Shares**”) as shall be sufficient to increase the authorised share capital of the Company to HK\$7,500,000,000 divided into 750,000,000,000 New Shares;
    - the credits of approximately HK\$1,957,627,000 arising in the books of the Company from the Capital Reduction would be credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda; and
    - the amount of approximately HK\$3,044,894,000 standing to the credit of the contributed surplus account be applied to set off the accumulated losses of the Company by the amount of such credit or be applied in any other manner as may be permitted under the new bye-laws of the Company which was proposed to be adopted by the Company on 24 July 2017 (Bermuda time) and all applicable laws of Bermuda.

Details of the Cancellation of Share Premium Account and the Capital Reorganisation are set out, among others, in the circular of the Company dated 16 June 2017. Special resolutions approving the Cancellation of Share Premium Account and the Capital Reorganisation were passed at the extraordinary general meeting of the Company held on 10 July 2017 and the Cancellation of Share Premium Account and the Capital Reorganisation became effective on 10 July 2017 and 14 August 2017 respectively.

## **18. COMPARATIVE FIGURES**

The presentation of comparative information in respect of the condensed consolidated statement of profit or loss for the six months ended 30 June 2016 has been restated in order to disclose the discontinued operation separately from continuing operations.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Business Related to Geographic Information Industry**

For the six months ended 30 June 2017 (the “**Period under Review**”), the Group continued to commit to developing its business relating to the geographic information industry, which mainly consists of the geospatial business application and services, data collection as well as development and sales of equipment.

#### **Business Application and Services**

The Group has accumulated extensive experience and leading competence in data processing and software development in the PRC. The Group currently owns geographic information data processing capacity that reaches leading international standard, not only able to realize the automated processing of massive image data, but also can process raw geographic image data into “4D” data with diversified purposes.

In terms of business application and services, the Group has been striving to become a big data service provider in the industry. In addition to surveying and mapping, planning, land, smart city, electricity, water, oil and natural gas industries which are operating, we have commenced the new industries of real estate registration, specification of agriculture and forestry, security and technical precautions informatization, agriculture insurance intelligence, etc. which have great potentials in recent two years. During the Period under Review, this segment recorded a turnover of approximately HK\$72.98 million with a decrease of 17.99% on a year-on-year basis, which was mainly due to the reduction on the number and income of electricity industry application projects.

#### **Data Collection**

For a long time, in terms of geospatial data acquisition, the Group has had strong data acquisition capability. The Group possesses considerable amount of talents and industrial experiences in terms of the introduction of aerial photogrammetry equipment and aerial and aerospace remote sensing data, and street view data and unmanned aerial vehicles low attitude remote sensing data acquisition. As the Group has been committed to transforming from a single surveying and mapping geographic information service provider to a geographic information big data service provider in the industry in recent years, and has been affected by the overall development and changes of the domestic industry in the PRC in recent years, the business of such segment has been reduced. During the Period under Review, the data collection segment recorded a turnover of approximately HK\$23.14 million with a decrease of 16.38% on a year-on-year basis.



## **Development and Sales of Equipment**

The Group has the development capability of high-end surveying and mapping equipment with independent intellectual property rights, such as laser panoramic photogrammetry vehicles, professional aerial surveying and mapping unmanned aerial vehicles and geographic information emergency surveillance vehicles, etc. However, as the Group has been transforming its overall business development direction in recent years, the business of such segment has been reduced. During the Period under Review, the development and sales of equipment segment recorded a turnover of approximately HK\$0.26 million, with a decrease of 93.86% on a year-on-year basis.

## **FINANCIAL SUMMARY**

### **Revenue**

During the Period under Review, the Group recorded revenue of approximately HK\$96.37 million (six months ended 30 June 2016: approximately HK\$120.82 million), representing a decrease of 20.24% compared to the six months ended 30 June 2016. The Group's operations consist of geospatial business application and services, data collection and the development and sales of equipment, contributing 75.73%, 24.01% and 0.26% of the revenue for the Period under Review, respectively (six months ended 30 June 2016: contributing 73.65%, 22.90% and 3.45% of the revenue for the period, respectively).

### **Gross (Loss) Profit**

During the Period under Review, the Group recorded gross loss of approximately HK\$0.43 million (six months ended 30 June 2016: gross profit of approximately HK\$23.09 million) with a gross loss margin of 0.45% (six months ended 30 June 2016: gross profit margin of 19.11%) due to increasing costs of surveying and mapping and aerial photogrammetry.

### **Other Income**

During the Period under Review, the Group generated other income of approximately HK\$3.61 million (six months ended 30 June 2016: approximately HK\$0.66 million). The sharp increase was mainly due to the recognition of government grants which amounted to approximately HK\$2.00 million during the Period under Review.

## **Administrative and Other Operating Expenses**

During the Period under Review, the Group's administrative and other operating expenses amounted to approximately HK\$41.04 million (six months ended 30 June 2016: approximately HK\$52.34 million), accounting for approximately 42.59% of the total revenue (six months ended 30 June 2016: approximately 43.32%), mainly due to decreasing amortisation and exchange loss.

## **Finance Costs**

During the Period under Review, the Group recorded finance costs of approximately HK\$28.34 million (six months ended 30 June 2016: approximately HK\$25.32 million), representing an increase of 11.93% compared with the six months ended 30 June 2016. The sharp increase was due to increasing bank loans interest expenses and imputed interest expenses in respect of outstanding convertible notes.

## **Impairment Loss of Goodwill**

During the Period under Review, the Group recorded an impairment loss of goodwill of approximately HK\$169.47 million (six months ended 30 June 2016: nil) for the geographical information business. Please refer to note 13 of the condensed consolidated financial statements for further details.

## **Loss Attributable to Shareholders**

As a result of the combined effect of the above factors, loss attributable to shareholders amounted to approximately HK\$249.68 million (six months ended 30 June 2016: approximately HK\$38.92 million) during the Period under Review.

## **Capital Expenditure**

During the Period under Review, the Group incurred approximately HK\$5.41 million for the acquisition of property, plant and equipment in Hong Kong and the mainland (six months ended 30 June 2016: approximately HK\$7.41 million).

## **Liquidity & Financial Resources**

As at 30 June 2017, the Group's net current assets value was approximately HK\$152.25 million (as at 31 December 2016: approximately HK\$137.07 million). As at 30 June 2017, the Group's cash at banks and in hand and pledged bank deposits reached approximately HK\$111.88 million (as at 31 December 2016: approximately HK\$158.78 million). As at 30 June 2017, total borrowings, including convertible notes issued in the years 2013, 2014 and 2015, borrowings and amounts due to non-controlling shareholders, were approximately HK\$616.45 million (as at 31 December 2016: approximately HK\$581.33 million). The Group's current ratio, being the ratio of current assets to current liabilities, was 1.40 times (as at 31 December 2016: 1.32 times), and its gearing ratio, in terms of total borrowings net of bank balances and cash and pledged bank deposits to total equity, stood at 471.97% (as at 31 December 2016: 126.31%).

## **Foreign Exchange Risk Management**

The Group's transactions are primarily denominated in Renminbi and Hong Kong Dollar. The Group has not implemented any formal hedging policy. However, the Group monitors its foreign exchange exposure continuously and, when it considers appropriate and necessary, will consider hedging significant foreign exchange exposure by way of forward foreign exchange contracts.

## **Human Resources**

As at 30 June 2017, the Group had 472 employees (as at 30 June 2016: 510 employees). Total staff costs, including directors' emoluments for the Period under Review, amounted to approximately HK\$34.98 million (six months ended 30 June 2016: approximately HK\$29.98 million). The Group's remuneration policies are primarily based on 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 contributions made or potentially to be made to the business development of the Group by its employees.

## **PROSPECTS**

In the upcoming second half of the year, the Group will continue to deploy oblique photography-related business in addition to the plans developed at the beginning of the year, focusing on the development of agricultural insurance informatization, real estate registration and smart city, etc.

At the beginning of the year 2017, the Group has cooperated with PICC Property and Casualty Company Limited (a company listed on the Main Board of the Stock Exchange) (hereinafter referred to as “PICC”) to promote the development of agricultural insurance informatization and jointly signed a strategic cooperation agreement for the three agricultural services in the fields of technology, equipment and data. The cooperation with PICC will provide precision services for agricultural insurance premium rate actuary, insurance development, product improvement, disaster prevention and control, growth monitoring and risk warning to improve the degree of agricultural insurance refinement. After the arrangement and deployment in the first half year, agricultural insurance informatization related business will enter into the actual operational phase for some time to come. The Group believes that such business will bring benefits to the Group in the near future.

Oblique photography technology is a new high-tech development in the field of international surveying and mapping in recent years. It overturns the limitations of orthophoto image which can only be taken from the vertical angle. By carrying several sensors on a flight platform and taking images with five different angles (i.e. one vertical and four other oblique angles), users will enter a real intuitive world in line which is consistent with human vision. The Group has started to prepare for the development plan of oblique photography-related business around the year 2015. After the continuous research and enhancement on relevant technology and relevant national standards in recent years, such business is expected to achieve encouraging development in the future.

The year 2017 is a critical year for the Group’s transformation and upgrading, the Group also needs to face the corresponding difficulties while achieving certain results. After the development in the first half of the year, the Group has accumulated valuable experience and timely adjusted development strategies. The Board will continue to strive to bring considerable benefits to the shareholders of the Company.

## **INTERIM DIVIDEND**

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

## **DIRECTORS’ INTERESTS IN COMPETING BUSINESS**

During the Period under Review, none of the Directors had any competing interests in any business or had any interests in any business that may constitute direct or indirect competition with the Group.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS**

The Group had no significant investments, material acquisitions and disposals of its subsidiaries and associated companies during the Period under Review.

## **PLEDGE OF ASSETS**

As at 30 June 2017, the Group has pledged bank deposits of approximately HK\$3,000 to secure certain projects in relation to data collection and processing and will be released upon completion of services pursuant to the agreements and the Group has pledged land and buildings with carrying amount of approximately HK\$4,160,000 (as at 31 December 2016: approximately HK\$4,054,000) to secure the bank's borrowings.

## **CONTINGENT LIABILITIES**

As at 30 June 2017, the Group had no material contingent liabilities (as at 31 December 2016: nil).

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

During the Period under Review, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any listed securities of the Company.

## **CORPORATE GOVERNANCE**

The Board considers that good corporate governance is essential for enhancing accountability and transparency of a company to the investment public and other shareholders. The Directors are dedicated to maintain high standard corporate governance practices. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and to fulfill its commitment to excellence in corporate governance.

The Company has complied with the applicable code provisions of the Corporate Governance Code as set out in appendix 14 to the Listing Rules for the Period under Review.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The obligations to comply with the Listing Rules are set out in the letter of appointment of each executive Director and each independent non-executive Director. The Company has made specific enquiries with the Directors, and all Directors have confirmed that they have complied with the requirements as set out under the Model Code for the Period under Review.

## **AUDIT COMMITTEE AND ITS REVIEW OF INTERIM FINANCIAL STATEMENTS**

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors. The Audit Committee together with the Company’s management have reviewed the internal control and financial reporting matters of the Company and the unaudited condensed consolidated interim results of the Group for the Period under Review before submitting such results to the Board for approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is available for viewing on the website hosted by the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.peacemap.com.hk](http://www.peacemap.com.hk). The interim report of the Company for the six months ended 30 June 2017 will be despatched to shareholders of the Company and published on the above websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to express our appreciation to all our management and staff members for their ongoing contribution and hard work. We would also like to thank our customers, suppliers, shareholders and other stakeholders of the Company for their continuous support.

By order of the Board  
**Peace Map Holding Limited**  
**GUAN Hongliang**  
*Chairman*

Hong Kong, 30 August 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), Mr. FENG Tao (Chief Financial Officer), Mr. LI Bin and Ms. MU Yan and the independent non-executive Directors are Mr. ZHANG Songlin, Mr. ZHAI Shenggang and Mr. KANG Hua.*