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**PEACE MAP HOLDING LIMITED**

**天下圖控股有限公司**

*(In Liquidation)*

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

**(Stock code: 402)**

**INTERIM RESULTS**

**FOR THE SIX MONTHS ENDED 30 JUNE 2018**

## **RESULTS**

The joint liquidators (the “**Joint Liquidators**”) of Peace Map Holding Limited (In Liquidation) (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 2018 together with the comparative figures for the corresponding period in 2017 as follows:

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

*For the six months ended 30 June 2018*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2018</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>2017</b> <b>(Unaudited)</b> <b>HK\$'000</b>
Revenue	4	<b>71,371</b>	96,372
Cost of revenue		<b>(51,436)</b>	(96,805)
Gross profit/(loss)		<b>19,935</b>	(433)
Other income		<b>586</b>	3,611
Selling and distribution expenses		<b>(6,327)</b>	(17,616)
Administrative and other operating expenses		<b>(23,026)</b>	(41,043)
Share of results of associates		<b>(311)</b>	(1,038)
Impairment loss of goodwill		–	(169,466)
Other gain and losses, net		<b>3,914</b>	467
Operating loss		<b>(5,229)</b>	(225,518)
Finance costs	5	<b>(31,002)</b>	(28,339)
Loss before taxation	6	<b>(36,231)</b>	(253,857)
Income tax credit/(expense)	7	<b>19</b>	(1,422)
<b>Loss for the period</b>		<b>(36,212)</b>	<b>(255,279)</b>

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

*For the six months ended 30 June 2018*

		<b>Six months ended 30 June</b>	
		<b>2018</b>	2017
		<b>(Unaudited)</b>	(Unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
Loss for the period attributable to owners of the Company		<b>(34,743)</b>	(249,683)
non-controlling interests		<b>(1,469)</b>	(5,596)
		<b>36,212</b>	255,279
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
– Basic and diluted	8	<b>(0.43)</b>	(3.06)
<b>Loss for the period</b>		<b>(36,212)</b>	(255,279)
<b>Other comprehensive income for the period</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising from translation of overseas operations		<b>12,298</b>	27,653
<b>Total comprehensive expense for the period</b>		<b>(23,914)</b>	(227,626)
<b>Total comprehensive expense for the period attributable to:</b>			
Owners of the Company		<b>(22,816)</b>	(223,378)
Non-controlling interests		<b>(1,098)</b>	(4,248)
		<b>(23,914)</b>	(227,626)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		As at 30 June 2018 (Unaudited) HK\$'000	As at 31 December 2017 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant, equipment		35,385	40,539
Interests in associates		4,010	3,962
Goodwill		128,939	116,186
Other intangible assets		125,050	126,434
		<u>293,384</u>	<u>287,121</u>
<b>Current assets</b>			
Inventories		927	901
Amounts due from customers of contract works	3	–	217,677
Contract assets	3	233,741	–
Trade and other receivables		130,191	135,167
Finance lease receivables		2,133	2,161
Tax recoverable		6	6
Pledged bank deposits		6,636	165
Cash and cash equivalents		16,981	101,197
		<u>390,615</u>	<u>457,274</u>
<b>Current liabilities</b>			
Amounts due to customers of contract works	3	–	2,815
Contract liabilities	3	12,585	–
Trade and other payables		339,848	375,251
Amounts due to non-controlling shareholders		6,657	6,761
Amounts due to associates		6,087	6,168
Tax payables		1,677	1,675
Borrowings		5,849	43,386
Convertible notes	9	99,136	94,529
		<u>471,839</u>	<u>530,585</u>
<b>Net current liabilities</b>		<u>(81,224)</u>	<u>(73,311)</u>
<b>Total assets less current liabilities</b>		<u>212,160</u>	<u>213,810</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**As at 30 June 2018*

		<b>As at 30 June 2018 (Unaudited) HK\$'000</b>	As at 31 December 2017 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current liabilities</b>			
Amount due to a non-controlling shareholder		<b>61,810</b>	62,629
Borrowings		<b>3,555</b>	3,602
Convertible notes	9	<b>451,775</b>	427,856
Deferred tax liabilities		<b>7,728</b>	8,517
		<hr/> <b>524,868</b> <hr/>	<hr/> 502,604 <hr/>
<b>Net liabilities</b>		<b>(312,708)</b>	(288,794)
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and Reserves</b>			
Share capital		<b>81,568</b>	81,568
Reserves		<b>(424,353)</b>	(401,537)
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>(342,785)</b>	(319,969)
Non-controlling interests		<b>30,077</b>	31,175
		<hr/>	<hr/>
<b>Total equity</b>		<b>(312,708)</b>	(288,794)
		<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM 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 on 24 July 2017 (Bermuda time)/25 July 2017(Hong Kong time). The current addresses of the registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11 Bermuda and principal place of business of the Company is at 22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.

Prior to the liquidation of the Company, 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, provision of geospatial data processing services, software and solutions and development and sales of high-end surveying and mapping equipment.

These condensed consolidated interim financial information has not been audited.

#### **Winding up petition**

On 9 July 2018, the Company received a letter from Diamond Wealth Holdings Limited which stated that it has filed a winding up petition against the Company with the Supreme Court of Bermuda (the “**Bermuda 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 (the “**Convertible Notes I**”) and the Company has upon demand failed to pay the amount due under the Convertible Notes I, being HK\$405,850,000.

#### **Appointment of Joint Provisional Liquidators**

On 10 August 2018, the Bermuda Court ordered the Company be wound up 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.

#### **Suspension of trading of the Company’s shares**

On 13 August 2018, trading in the shares on the Main Board of the Stock Exchange has been suspended and will remain suspended until further notice.

## 1. GENERAL INFORMATION *(Continued)*

### **Appointment of Joint Liquidators**

On 1 February 2019, the Bermuda Court granted an order to appoint Mr. David Yen Ching Wai, Ms. Anita So Kit Yee and Mr. Keiran Hutchison as Joint Liquidators.

### **Disposal of Jichang Investments Limited**

On 8 April 2019, the Company entered into a sale and purchase agreement with a purchaser (the “**Disposal**”), pursuant to which the purchaser has conditionally agreed to purchase, and the Company conditionally agreed to sell, the entire equity interests in Jichang Investments Limited at a consideration of HK\$10,000,000 which is to be settled in cash. The Disposal has been approved by the committee of inspection of the Company.

### **Proposed restructuring**

On 8 October 2019, the Company, the Joint Liquidators and a potential investor (the “**Potential Investor**”) entered into an exclusivity agreement, pursuant to which the Company and the Potential Investor agreed to negotiate in good faith for concluding contract for implementing a proposed restructuring of the Company involving an acquisition of assets by the Company from the Potential Investor (the “**Proposed Transaction**”), the placing of all existing assets of the Company into a scheme for the benefits of the Company’s creditors and shareholders, and the submission of a proposal by the Company for seeking a resumption of trading in the shares of the Company to the Stock Exchange (the “**Resumption Proposal**”).

On 5 November 2019, the Company has submitted the Resumption Proposal. Upon the completion of the Resumption Proposal and a scheme of arrangement taking effect, all the claims against the Company by its 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 held or controlled by the scheme administrators and will cease to be subsidiaries of the Company.

### **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 condensed consolidated interim financial statements for the six months ended 30 June 2018 and has formed the opinion as follows:

## 1. GENERAL INFORMATION *(Continued)*

### **Incomplete books and records** *(Continued)*

As the unaudited condensed consolidated interim financial statements have been prepared based on the incomplete books and records available to the Company, the Company is unable to represent that all transactions entered into by the Group for the six months ended 30 June 2018 have been properly reflected in the unaudited condensed consolidated interim financial statements. As such, the Joint Liquidators are also unable to represent as to the completeness, existence and accuracy of identification and the disclosures of the unaudited condensed consolidated interim financial statements in accordance with HKFRSs and the disclosure requirements of the Listing Rules. The Joint Liquidators have recovered only limited books and records of the Company and therefore it is almost impossible, and not practical to verify the interim financial information of the Group.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2018 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

### **Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS(s)”)**

#### *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, HKAS(s), amendments and interpretations (“**Int(s)**”), 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 2018:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS(s)”) (Continued)

##### *New and amended standards adopted by the Group (Continued)*

Except as described below, the application of the new and revised HKFRSs, HKASs, amendments and interpretations in the current period has had no material impact on the Group’s financial performance and positions for the current period and prior period and/or on the disclosures set out in these condensed consolidated financial statements. The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those in the preparation of the Group’s annual financial statements for the year ended 31 December 2017.

#### 3.1. HKFRS 9 Financial Instruments

HKFRS 9 and the amendments to HKFRS 9 have replaced HKAS 39 Financial Instruments: recognition and measurement. HKFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items (for example, contract assets). In accordance with the specific transitional provisions set out in HKFRS 9, the Group has applied the classification and measurement requirements (including requirements relating to impairment under expected credit loss (“ECL”) model) to items that existed as of the date of initial application (i.e. 1 January 2018) on a retrospective basis based on the facts and circumstances that existed as at 1 January 2018. However, the Group has decided not to restate the comparative figures. Accordingly, the comparative information continues to be presented based on the requirements of HKAS 39 and hence may not be comparable with the current year information. The cumulative effect of initial application of HKFRS 9 has been recognised as adjustments to the opening equity.

##### A. *Classification and measurement of financial assets*

In general, HKFRS 9 categorises financial assets into the following three classification categories:

- measured at amortised cost;
- at fair value through other comprehensive income (“FVTOCI”); and
- at fair value through profit or loss (“FVTPL”).

These classification categories are different from those set out in HKAS 39 which included held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS(s)”) (Continued)

##### 3.1. HKFRS 9 Financial Instruments (Continued)

###### A. Classification and measurement of financial assets (Continued)

The following table shows a reconciliation from how the Group’s financial assets existed as of 1 January 2018 were classified and measured under HKAS 39 to how they are classified and measured under HKFRS 9:

	Old classification under HKAS 39	New classification under HKFRS 9	Carrying amounts under HKAS 39 at 31 December 2017 HK\$'000	Reclassification HK\$'000	Remeasurement HK\$'000	Carrying amounts under HKFRS 9 at 1 January 2018 HK\$'000
Investment in unlisted equity security	Available-for-sale financial assets (Note (a))	FVTPL	–	–	–	–
Trade receivables	Loans and receivables	Amortised cost	68,573	–	–	68,573
Other receivables	Loans and receivables	Amortised cost	49,594	–	–	49,594
Deposits	Loans and receivables	Amortised cost	3,443	–	–	3,443
Amounts due from non-controlling shareholders	Loans and receivables	Amortised cost	119	–	–	119
Pledged bank deposits	Loans and receivables	Amortised cost	165	–	–	165
Cash and cash equivalents	Loans and receivables	Amortised cost	101,197	–	–	101,197

*Note (a)* Under HKFRS 9, investment in equity security is required to be measured at fair value subsequently at the end of each reporting period. Accordingly, for investment in equity securities that were previously measured at cost less impairment based on the cost exemption under HKAS 39 have to be measured at fair value. Based on the specific transitional provisions set out in HKFRS 9, such investment has to be measured at fair value at the date of initial application (i.e. 1 January 2018), with any difference between the fair value and carrying amount under HKAS 39 being recognised in the opening accumulated losses as of 1 January 2018. In the opinion of the Joint Liquidators, fair value of this investment is nil as at 1 January 2018.

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS(s)”) *(Continued)***

##### **3.1. HKFRS 9 Financial Instruments *(Continued)***

###### *B. Impairment under ECL model*

HKFRS 9 has introduced the “ECL model” to replace the “incurred loss” model under HKAS 39. the “ECL model” requires an ongoing measurement of credit risk associated with a financial asset. the Group has applied the “ECL model” to the following types of financial assets:

- financial assets that are subsequently measured at amortised cost (including trade and other receivables, amounts due from non-controlling shareholders, bank deposits and cash and cash equivalents);
- contract assets as defined in HKFRS 15; and
- financial lease receivable

In the opinion of the Joint Liquidators, the Group has quantified that no material ECLs should be further recognised in the opening balances at 1 January 2018.

###### *C. Classification and measurement of financial liabilities*

The application of HKFRS 9 in respect of financial liabilities’ classification and measurement has had no impact on the consolidated financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS(s)”) *(Continued)***

##### ***3.2. HKFRS 15 Revenue from Contracts with Customers and the Related Amendments***

HKFRS 15 has replaced HKAS 11 Construction Contracts, HKAS 18 revenue and other revenue-related interpretations. Under HKAS 11 and HKAS 18, revenue arising from construction contracts and provision of services was recognised over time whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers. Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 has introduced additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Based on the specific transitional provisions set out in HKFRS 15, the Group had decided to use the cumulative effect transition method and had recognised the cumulative effect of initial application of HKFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (i.e. 1 January 2018). Accordingly, comparative information has not been restated and continues to be presented under HKAS 11 and HKAS 18. Also, the Group has applied the HKFRS 15 requirements only to contracts that were not completed before 1 January 2018.

The Group is engaged in the following operations:

- business application and services;
- data collection; and
- development and sales of equipment.

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS(s)”) *(Continued)***

##### **3.2. HKFRS 15 Revenue from Contracts with Customers and the Related Amendments**

###### *(a) Timing of revenue recognition*

###### *(i) business application and services and data collection*

The progress towards complete satisfaction of a performance obligation is measured based on output method, that best depict the Group’s performance in satisfying the performance obligation. the output method is made reference to the gross value of contracting work to date compared to the total contract sum received under contract.

###### *(ii) development and sales of equipment*

Upon the adoption of HKFRS 15, revenue is recognised at the point in time when control of asset is transferred to the customer, generally on delivery of the goods. the Group has determined that the application of the new standard has not resulted in any significant impact to the Group.

###### *(b) Presentation of contract assets and contract liabilities*

At the date of initial application, amounts due from customers of contract works are conditional on the Group’s achieving specified milestones as stipulated in the contracts, and hence such balances were reclassified from amounts due from customers of contract work to contract assets.

At the date of initial application, amounts due to customers of contract works and receipt in advance related to advance billings to customers for business application and services. These balances were reclassified to contract liabilities upon application of HKFRS 15.

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRS(s)”) (Continued)

#### 3.2. HKFRS 15 Revenue from Contracts with Customers and the Related Amendments (Continued)

##### (b) Presentation of contract assets and contract liabilities (Continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

As at 1 January 2018 (Audited)	Carrying amounts previously reported at 31 December 2017 HK\$'000	Reclassification HK\$'000	Carrying amounts under HKFRS 15 at 1 January 2018 HK\$'000
Amounts due from customers of contract works	217,677	(217,677)	–
Contract assets	–	217,677	217,677
Amounts due to customers of contract works	2,815	(2,815)	–
Trade and other payables	375,251	(12,575)	362,676
Contract liabilities	–	15,390	15,390
	<u>                    </u>	<u>                    </u>	<u>                    </u>

As mentioned above, the Group has adopted the cumulative effect transition method for transition to HKFRS 15. With such a method being adopted, the Group is required to make an additional disclosure that shows how the amount of each financial line item is affected in the current year by the application of HKFRS 15 as compared to those superseded standards including HKAS 11, HKAS 18 and the related interpretations. The tables below only show line items that are affected as at 30 June 2018:

##### Impact on the consolidated statement of financial position

As at 30 June 2018 (Unaudited)	Amounts reported under HKFRS 15 HK\$'000	Hypothetical amounts under HKAS 18 and 11 HK\$'000	Differences HK\$'000
Amounts due from customers of contract works	–	233,741	(233,741)
Contract assets	233,741	–	233,741
Trade and other payables	339,848	352,433	(12,585)
Contract liabilities	12,585	–	12,585
	<u>                    </u>	<u>                    </u>	<u>                    </u>

#### 4. REVENUE

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

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	<b>71,371</b>	96,372

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 condensed consolidated interim financial statements.

#### 5. FINANCE COSTS

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest charges on :		
– Bank loans	985	986
– Other loans	1,491	1,733
	<b>2,476</b>	2,719
Imputed interest on extended Convertible Note I	23,919	21,434
Imputed interest on Convertible Note II	4,607	4,186
	<b>28,526</b>	25,620
Total	<b>31,002</b>	28,339

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 condensed consolidated interim financial statements.

## 6. LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Staff costs (including directors' and chief executives' emoluments)		
– Salaries and allowances	24,250	30,259
– Retirement benefits scheme contribution (defined contribution plans)	4,688	4,725
	<u>28,938</u>	<u>34,984</u>
Amount of inventories recognized as expense	–	32
Amortisation of other intangible assets	3,455	14,199
Depreciation of property, plant and equipment	4,743	3,982
Net loss on disposal of property, plant and equipment	20	2
Write-off of property, plant and equipment	79	–
Minimum lease payment under operating leases in respect of rented land and buildings and other intangible assets	6,825	6,172
	<u>6,825</u>	<u>6,172</u>

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 condensed consolidated interim financial statements.

## 7. INCOME TAX CREDIT/(EXPENSE)

Income tax credit of approximately HK\$19,000 was charged for the six months ended 30 June 2018 (six months ended 30 June 2017 : income tax expense of approximately HK\$1,422,000).

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 credit (expense) of the Group as of the date of approval of these unaudited condensed consolidated interim financial statements.

## 8. 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:

	<b>Six months ended 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Loss for the purpose of basic and diluted loss per share		
– Loss for the period attributable to owners of the Company	<b>(34,743)</b>	<b>(249,683)</b>
	<b><u><u>                    </u></u></b>	<b><u><u>                    </u></u></b>
	<b>Six months ended 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares		
for the purpose of basic and diluted loss per share	<b>8,156,781</b>	<b>8,156,781</b>
	<b><u><u>                    </u></u></b>	<b><u><u>                    </u></u></b>

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 condensed consolidated interim financial statements.

## 9. CONVERTIBLE NOTES

	As at 30 June 2018 (Unaudited) <i>HK\$'000</i>	As at 31 December 2017 (Audited) <i>HK\$'000</i>
Extended Convertible Note I		
Liability component	451,775	427,856
Equity component	139,915	139,915
	<u>591,690</u>	<u>567,771</u>
Convertible Note II		
Liability component	99,136	94,529
Equity component	17,083	17,083
	<u>116,219</u>	<u>111,612</u>
Analysed for reporting purpose:		
Current portion:		
Liability component	99,136	94,529
Non-current portion:		
Liability component	451,775	427,856
Equity component	156,998	156,998
	<u>608,773</u>	<u>584,854</u>

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 condensed consolidated interim financial statements.

## 10. DIVIDENDS

No dividend is declared for the six months ended 30 June 2018 and 30 June 2017.

## 11. PURCHASE, SALE OR REDEMPTION OF SECURITIES

To the best knowledge of the Joint Liquidators, neither the Company nor of its subsidiary has purchased sold or redeemed any of the Company's shares during the six months ended 30 June 2018.

## 12. BUSINESS REVIEW

### **Appointment of the Joint Liquidators and winding up of the Company**

On 9 July 2018, the Company received a letter from Diamond Wealth Holdings Limited which stated that it has filed a winding up petition against the Company with the Bermuda 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 Bermuda 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 Bermuda 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 has been suspended from 9:00 a.m. on 13 August 2018.

#### *Delisting Status*

Under rule 6.01A of 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.

## 12. BUSINESS REVIEW *(Continued)*

### **Restructuring of the Company** *(Continued)*

#### **Resumption Proposal of the Company** *(Continued)*

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.

### **13. FINANCIAL REVIEW**

As noted in the financial statement disclosures, 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**

During the Period under Review, the Group recorded revenue of approximately HK\$71.37 million (six months ended 30 June 2017: approximately HK\$96.37 million), representing a decrease of 25.94% compared to the six months ended 30 June 2017. The Group recorded gross profit of approximately HK\$19.94 million (six months ended 30 June 2017: gross loss of approximately HK\$0.43 million) with a gross profit margin of 27.94% (six months ended 30 June 2017: gross loss margin of 0.45%).

#### **Liquidity and Financial Resources**

As at 30 June 2018, cash and cash equivalents of the Group were approximately HK\$16.98 million (as at 31 December 2017 : approximately HK\$101.20 million).

As at 30 June 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 (31 December 2017: 186.1%, which was determined by the management 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 30 June 2018, the Group had total assets of approximately HK\$684.00 million (as at 31 December 2017 :HK\$744.40 million). The net liabilities of the Group as at 30 June 2018 were approximately HK\$312.71 million (net liabilities as at 31 December 2017 : HK\$288.79 million).

#### **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 30 June 2018.

As at the date of these financial statements and based on the proofs of debts, the Joint Liquidators received a total of 11 proofs of debts claiming an aggregate amount of approximately HK\$627.4 million against the Company.

### 13. FINANCIAL REVIEW *(Continued)*

#### **Employees**

There is insufficient information available to the Company to ascertain the number of employees of the Group as at 30 June 2018.

#### **Interim Dividend**

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2018 and 30 June 2017.

#### **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 six months ended 30 June 2018.

### 14. PROSPECT

On 9 July 2018, 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 Bermuda 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 Bermuda 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 Bermuda Court granted an order to appoint Mr. David Yen Ching Wai, Ms. Anita So Kit Yee and Mr. Keiran Hutchison as Joint Liquidators of the Company with a committee of inspection which is comprised of 5 members.

On 8 April 2019, the Company entered into a sale and purchase agreement with a purchaser (the “**Disposal**”), pursuant to which the purchaser has conditionally agreed to purchase, and the Company conditionally agreed to sell, the entire equity interests in Jichang Investments Limited at a consideration of HK\$10,000,000 which is to be settled in cash. The Disposal has been approved by the Committee of Inspection of the Company.

#### 14. PROSPECT *(Continued)*

On 8 October 2019, the Company, the Liquidators and a potential investor (the “**Potential Investor**”) entered into an exclusivity agreement, pursuant to which the Company and the Potential Investor agreed to negotiate in good faith for concluding contract for implementing a proposed restructuring of the Company involving an acquisition of assets by the Company from the Potential Investor (the “**Proposed Transaction**”), the placing of all existing assets of the Company into a scheme for the benefits of the Company’s creditors and shareholders, and the submission of a proposal by the Company for seeking a resumption of trading in the shares of the Company to the Stock Exchange (the “**Resumption Proposal**”).

On 5 November 2019, the Company has submitted the Resumption Proposal. Upon the completion of the Resumption Proposal and the scheme of arrangement taking effect, all the claims against the Company by its 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 held or controlled by the scheme administrators and will cease to be subsidiaries of the Company.

#### 15. CORPORATE GOVERNANCE

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 of Bermuda. Consequently, they are unable to comment as to whether the Company complied with the Code on Corporate Governance Practices throughout the six months ended 30 June 2018.

#### 16. AUDIT COMMITTEE REVIEW

Subsequent to the winding up of the Company, an audit committee has not maintained. The result announcement was not reviewed by the audit committee.

## 17. PUBLICATION OF RESULT ANNOUNCEMENT AND UNAUDITED CONDENSED CONSOLIDATED INTERIM REPORT

This result announcement is available for viewing on the website of HKSE at <https://www.hkexnews.hk>. The 2018 unaudited condensed consolidated interim report will be available on the website of the Stock Exchange at the earliest practicable opportunity.

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.

## 18. 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, 11 February 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.*