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## PEACE MAP HOLDING LIMITED

### 天下圖控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 402)**

#### SUBSCRIPTION OF CONVERTIBLE NOTES UNDER GENERAL MANDATE

On 12 April 2014, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, the Convertible Notes up to the maximum aggregate principal amount of HK\$249,800,000 due 1 year from the Issue Date convertible into Conversion Shares at the initial Conversion Price of HK\$0.25 per Conversion Share (subject to adjustments).

Detailed terms of the Convertible Notes are also set out in the paragraph headed “Principal terms of the Convertible Notes” in this announcement.

Assuming the exercise in full of the conversion rights attaching to the Convertible Notes at the initial Conversion Price of HK\$0.25 per Conversion Share, a total of up to 999,200,000 Conversion Shares will be issued, representing 17.25% of the existing issued share capital of the Company and approximately 14.71% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Conversion Shares will be issued under the General Mandate.

The estimated net proceeds from the Subscription (after deducting all related expenses) will be up to approximately HK\$249,000,000, which is intended to be used for general working capital of the Group.

**Completion of the Subscription is subject to fulfillment of the conditions precedent under the Subscription Agreement, and the parties’ rights to termination under the terms and conditions of the Subscription Agreement. Accordingly, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

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## THE SUBSCRIPTION AGREEMENT

Date: 12 April 2014

Issuer: the Company

Subscriber: Smart Image Holdings Limited, an investment holding company incorporated under the laws of the British Virgin Islands with limited liability.

To the best of the Company's knowledge, information and belief after making reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties.

### Consideration

The maximum aggregate consideration for the Subscription of the Convertible Notes is up to the maximum aggregate principal amount of HK\$249,800,000 on a dollar-to-dollar basis, and shall be payable by the Subscriber to the Company as follows:

- (a) a sum of HK\$5,000,000 as the initial deposit (the "Initial Deposit") and in part payment of the Consideration shall be payable within four Business Days after the signing of the Subscription Agreement; and
- (b) a sum of at least HK\$1,000,000, together with (where applicable) a further sum representing (i) an integral multiple of HK\$1,000,000 up to the maximum amount of HK\$243,000,000, and (ii) (where applicable) the remaining balance of HK\$800,000 in payment of the remaining balance of the Consideration shall be payable on or before the Long Stop Date.

### Conditions precedent

Completion is conditional upon:–

- (a) the Listing Committee of the Stock Exchange having granted approval for the listing of and permission to deal in the Conversion Shares and such approval not being subsequently revoked prior to Completion;
- (b) the Company having obtained all the approval and consent (if required) under applicable laws in respect of the issue of the Convertible Notes and the issue and allotment of the Conversion Shares;
- (c) all the Company's warranties given under the Subscription Agreement being true and correct in all material respects and remaining so from the date of the Subscription Agreement up to Completion; and
- (d) all the Subscriber's warranties given under the Subscription Agreement being true and correct in all material respects and remaining so from the date of the Subscription Agreement up to Completion.

The Company shall (insofar as it is within its power to do so) use its best endeavours to procure the fulfilment of all the conditions (a) to (c) above as soon as practicable after the signing of the Subscription Agreement and in any event on or before the Long Stop Date. The Subscriber may waive in writing the condition (c) above at its own discretion.

The Subscriber shall (insofar as it is within its power to do so) use its best endeavours to procure the fulfilment of the condition (d) above as soon as practicable after the signing of the Subscription Agreement and in any event on or before the Long Stop Date. The Company may waive in writing the condition (d) above at its own discretion.

If any of the conditions under the paragraph headed “Conditions precedent” have not been fulfilled or waived (as the case may be) on or before the Long Stop Date, the Subscription Agreement shall lapse, and thereupon the Initial Deposit and any further deposit or part payment of the Consideration paid by the Subscriber thereunder shall be refunded by the Company to the Subscriber without interest within three Business Days, and thereupon the respective obligations of the parties to the Subscription Agreement shall, except the confidentiality obligations thereunder and subject to the liability of either party to the other in respect of any antecedent breach of the terms thereof, be null and void and of no further effect.

## **Completion**

Completion shall take place on the seventh Business Day after: (a) the date upon which the conditions precedent to the Subscription Agreement shall have been fulfilled (or waived, as the case may be), and (b) the Subscriber shall have paid the remaining balance of the maximum aggregate Consideration or any part thereof in accordance with paragraph (b) under the paragraph headed “Consideration” above on or before the Long Stop Date, whichever is the later (or such other time and date as the Subscriber and the Company may agree in writing).

Provided that if, and only if, the Subscriber shall have paid an amount less than the remaining balance of the maximum aggregate Consideration in the total sum of HK\$244,800,000 in accordance with paragraph (b) under the paragraph headed “Consideration” above on or before the Long Stop Date, the parties hereby irrevocably and unconditionally agree that (a) the Initial Deposit shall be absolutely forfeited to the Company as liquidated damages and not as penalty, and (b) the Company shall issue the certificates of the Convertible Notes in such aggregate principal amount equivalent to the remaining balance of that part of the maximum aggregate Consideration paid by the Subscriber to the Company in accordance with paragraph (b) under the paragraph headed “Consideration” above on or before the Long Stop Date on a dollar-to-dollar basis.

## **Termination**

If the Subscriber shall fail to complete the Subscription in accordance with the terms and conditions of the Subscription Agreement (otherwise than due to the default of the Company or due to the non-fulfillment of the conditions precedent to the Subscription Agreement on or before the Long Stop Date), including without limitation the Subscriber shall fail to pay the remaining balance of the maximum aggregate Consideration or any part thereof in accordance with paragraph (b) under the paragraph headed “Consideration” above on or before the Long Stop Date, then the Company shall be entitled to rescind the Subscription Agreement by notice in writing to the Subscriber, and thereupon (a) the Initial Deposit shall be absolutely forfeited to the Company as liquidated damages and not as penalty, and (b) (where applicable) any payment of the remaining balance of the maximum aggregate Consideration or any part thereof paid by the Subscriber to the Company in accordance with paragraph (b) under the paragraph headed “Consideration” above on or before the Long Stop Date shall be refunded by the Company to the Subscriber without interest within three Business Days, and thereupon either party shall have no further claim of whatsoever nature against the other party, and the Company shall not take any action against the Subscriber for damages or for specific performance of the Subscription Agreement.

If the Company shall fail to complete the Subscription in accordance with the terms and conditions of the Subscription Agreement (otherwise than due to the default of the Investor or due to the non-fulfillment of the conditions precedent to the Subscription Agreement on or before the Long Stop Date), then the Subscriber shall be entitled to rescind the Subscription Agreement by notice in writing to the Company, and thereupon (a) the Initial Deposit and (b) (where applicable) any payment of the remaining balance of the maximum aggregate Consideration or any part thereof paid by the Subscriber to the Company in accordance with paragraph (b) under the paragraph headed “Consideration” above on or before the Long Stop Date shall be refunded by the Company to the Subscriber without interest within three Business Days, but without prejudice to any other right or remedy available to the Subscriber under the Subscription Agreement or otherwise.

## PRINCIPAL TERMS OF THE CONVERTIBLE NOTES

Principal amount	A maximum aggregate principal amount of up to HK\$249,800,000.
Maturity date	The Convertible Notes shall mature on the date falling on the 1st anniversary of the Issue Date or, if such date is not a Business Day, the Business Day next following such date.
Issue price	The Convertible Notes will be issued at 100% of their principal amount.
Interest	<p>The Convertible Notes will not bear any interest.</p> <p>If payment of the full or any part of the principal in respect of the Convertible Notes due is improperly withheld or refused or default is otherwise made in respect of any such payment, interest shall accrue on the overdue sum at the rate of 8% per annum over such principal in respect of the Convertible Notes from the due date. Such default interest shall continue to accrue on the basis of the actual number of days elapsed and a 365-day year.</p>
Redemption	The Company cannot unilaterally redeem all or any part of the Convertible Notes at any time prior to the Maturity Date without the prior written consent of the Noteholder.
Conversion Period	The conversion period commences from the date of issue of the Convertible Notes up to the Maturity Date.
Conversion Price	<p>The Convertible Notes shall be converted at the initial conversion price of HK\$0.25 per Conversion Share, subject to adjustments in the event of, inter alia, any consolidation or subdivision or reclassification of the Shares with which the Shares become of a different nominal amount, issue of Shares by way of capitalisation of profits or reserves, capital distributions in cash or specie or subsequent issue of securities in the Company by way of rights issue, or grant of options or warrants or other convertible securities, or consideration issue at a price which is less than 90% of the then market price of the Shares.</p> <p>The Conversion Price was determined after arm's length negotiations between the Company and the Subscriber with reference to current market price of the Shares and the nominal value of the Shares. The initial Conversion Price of HK\$0.25 per Conversion Share represents:</p> <ul style="list-style-type: none"><li>(i) a premium of approximately 1.21% to the closing price of HK\$0.247 per Share as quoted on the Stock Exchange on 11 April 2014, being the last trading day prior to the date of the Subscription Agreement; and</li><li>(ii) a premium of approximately 0.48% over the average closing price of HK\$0.249 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreement up to and including 11 April 2014.</li></ul>

Conversion Shares	<p>The Conversion Shares will rank pari passu in all respects with all other existing Shares then outstanding on the date of the conversion notice and shall be entitled to all dividends, bonuses and other distributions the record date of which falls on a date immediately after (and including) the date of the conversion notice.</p> <p>Upon full conversion of the Convertible Notes at the maximum aggregate principal amount of HK\$249,800,000 at the initial Conversion Price of HK\$0.25 per Conversion Share (subject to adjustments), an aggregate of 999,200,000 Conversion Shares will be issued, representing 17.25% of the existing issued share capital of the Company and approximately 14.71% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.</p>
Listing	<p>No application will be made for the listing of or permission to deal in, the Convertible Notes on the Stock Exchange or any other stock exchange.</p> <p>Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.</p>
Ranking of the Convertible Notes	<p>The Convertible Notes constitute general, direct and unsecured obligation of the Company and rank, and will rank, equally among themselves and pari passu without preference or priority among themselves and with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.</p>
Voting	<p>The Noteholder(s) will not be entitled to attend or vote at any meetings of the Company by reason only of it being a Noteholder(s).</p>
Transferability	<p>The Convertible Notes are freely transferable provided that the principal amount to be assigned or transferred must be at least HK\$1,000,000 unless the amount of the outstanding Convertible Note is less than HK\$1,000,000 in which case the whole (but not part only) of that amount may be assigned or transferred.</p> <p>The Convertible Notes may be assigned or transferred (if required) with the prior consent (if required) of the Stock Exchange to any party other than any connected person of the Company.</p>
Conversion Rights	<p>The Noteholder(s) will have the right to convert the whole or part of the principal amount of the Convertible Notes into Shares at any time and from time to time, from the date of issue, over the period during which the Convertible Notes remain outstanding in amounts of not less than HK\$1,000,000 on each conversion, save that if at any time, the principal outstanding amount of the Convertible Note is less than HK\$1,000,000, the whole (but not part only) of the principal outstanding amount of the Convertible Note may be converted.</p>

The Noteholders shall not have the right to convert the whole or part of the principal amount of the Convertible Notes into Shares:

- (a) to the extent that immediately after such conversion the Noteholders, whether alone or together with parties acting in concert (as defined in the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time (“Takeovers Code”)) with it, will control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company; or
- (b) to the extent that immediately after such conversion there will not be sufficient public float of the Shares as required under the Listing Rules; or
- (c) in the event when the Noteholder exercises his conversion rights under the Convertible Notes, there has been adjustment to the Conversion Price in accordance with the terms of the Convertible Notes resulting in the number of Conversion Shares to be allotted and issued pursuant to the exercise of the conversion rights under the Convertible Notes exceeding the authorization under the General Mandate (the excess portion being referred to as the “Excess Conversion Shares”), the Company shall pay the Noteholder an amount of cash in Hong Kong dollars in order to satisfy the portion representing the Excess Conversion Shares no later than the Maturity Date.

### **General Mandate**

The Conversion Shares shall be allotted and issued under the General Mandate. The General Mandate was granted to the Directors at the annual general meeting of the Company held on 28 August 2013 which authorised the Directors to issue up to 999,595,200 Shares (representing 20% of the aggregate nominal amount of the share capital of the Company in issue on that date). The General Mandate has not been utilised prior to the date of this announcement. Based on the initial Conversion Price of HK\$0.25 per Conversion Share (subject to adjustments), the Conversion Shares to be allotted and issued will utilise up to a maximum of 999,200,000 Shares under the General Mandate. The Subscription and the issue of Conversion Shares are not subject to the shareholders’ approval.

## EFFECT OF THE SUBSCRIPTION ON SHAREHOLDING

Set out below are the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon Completion and assuming conversion in full of the maximum aggregate principal amount of the Convertible Notes at the initial Conversion Price of HK\$0.25 (subject to adjustments):

Shareholders	As at the date of this announcement		Upon Completion and assuming conversion in full of the maximum aggregate principal amount of the Convertible Notes	
	Number of Shares	%	Number of Shares	%
Billirich Investment Limited ( <i>Note 1</i> )	28,900,000	0.50	28,900,000	0.43
Chen Zechao	396,000,000	6.84	396,000,000	5.83
China Environmental Investment Holdings Limited ( <i>Note 1</i> )	554,080,000	9.56	554,080,000	8.16
Zhang Yang	865,000,000	14.93	865,000,000	12.73
The Subscriber	—	—	999,200,000	14.71
Public – Other Shareholders	3,949,521,095	68.17	3,949,521,095	58.14
<b>Total</b>	<b>5,793,501,095</b>	<b>100.00</b>	<b>6,792,701,095</b>	<b>100.00</b>

### Notes:

1. Billirich Investment Limited is beneficially and wholly owned by AVIC, the controlling shareholder of which is Aviation Industry Corporation of China. China Environmental Investment Holdings Limited is an associate of AVIC and Aviation Industry Corporation of China.
2. The percentages of the Shares are rounded to the nearest 2 decimal places, and the total number of the percentages may not add up to 100% due to rounding.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF THE PROCEEDS

The Group is principally engaged in geographical information data extraction and data processing, software application, sales of cameras and manufacture and sales of unmanned aerial vehicles, as well as mining and exploration of mineral resources. The Directors consider that the Subscription represents a good opportunity to strengthen the financial position of the Company so as to provide more capital for the business development of the Group. The Directors consider the terms of the Subscription Agreement to be fair and reasonable and in the interest of the Group and the shareholders as a whole.

The Long Stop Date, being the date falling on the expiration of three months from the date of the Subscription Agreement, has been arrived at based on arm's length negotiations between the Company and the Subscriber. After taking into account the Initial Deposit of HK\$5,000,000 and the significant amount of the Consideration, the Directors consider that the Long Stop Date is fair and reasonable.

The maximum gross proceeds from the Subscription will be approximately HK\$249,800,000. The net proceeds from the Subscription after deduction of expenses are estimated to be approximately HK\$249,000,000, which will be used for general working capital of the Group. The net price for each Conversion Share, based on the initial Conversion Price, is approximately HK\$0.249.

The Company will issue an announcement in respect of completion of the Subscription together with the aggregate Consideration received by the Company from the Subscriber and the principal amount of the Convertible Notes issued by the Company thereof as and when appropriate.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has conducted the following equity fund raising activities for the 12 months immediately before the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
15 May 2013	Placing of shares	HK\$88,100,000	General working capital	used as intended as working capital and acquisition of Sinbo Investment Limited

**Completion of the Subscription is subject to fulfillment of the conditions precedent under the Subscription Agreement, and the parties' rights to termination under the terms and conditions of the Subscription Agreement. Accordingly, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	board of Directors
“Business Day”	any day (except a Saturday, Sunday or public holiday or any day on which a tropical cyclone warning on 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 6:00 p.m.) on which licensed banks in Hong Kong and the PRC are generally open for business;
“Company”	Peace Map Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the maximum aggregate consideration of up to HK\$249,800,000 on a dollar-to-dollar basis for the Subscription of up to the maximum aggregate principal amount of HK\$249,800,000 of Convertible Notes



“Conversion”	the exercise of the conversion rights attached to the Convertible Notes and the issuance of the Conversion Shares accordingly
“Conversion Price”	means the price at which each Conversion Share(s) will be issued upon Conversion, being HK\$0.25 per Conversion Share initially (subject to adjustment)
“Conversion Share(s)”	means the new Share(s) to be issued upon Conversion
“Convertible Notes”	means the convertible notes to be issued by the Company up to the maximum aggregate principal amount of HK\$249,800,000 pursuant to the Subscription Agreement
“Director(s)”	director(s) of the Company
“General Mandate”	general mandate granted to the Directors by the shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 August 2013 to allot and issue up to 999,595,200 new Shares, representing 20% of the then issued share capital of the Company.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is/are not connected person (as such term is defined in Chapter 14A of the Listing Rules) of the Company
“Issue Date”	the date of issue of the Convertible Notes
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	12 July 2014 or if such date is not a Business Day, the next Business Day next following such date (or such other date as the Company and the Subscriber may agree in writing)
“Maturity Date”	the date falling on the 1st anniversary of the Issue Date, or, if that is not a Business Day, the first Business Day thereafter
“Noteholders(s)”	holder(s) of the Convertible Note(s)
“Subscription”	the subscription of the Convertible Notes by the Subscriber pursuant to the Subscription Agreement

“Subscriber”	Smart Image Holdings Limited, a company incorporated in the British Virgin Island with limited liability
“Subscription Agreement”	the Subscription Agreement entered into between the Company and the Subscriber dated 12 April 2014 in relation to the Subscription
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board of  
**Peace Map Holding Limited**  
**ZHU Dong**  
*Acting Chairman*

Hong Kong, 12 April 2014

*As at the date of this announcement, the executive directors are Mr. ZHU Dong (Acting Chairman), Mr. ZHANG Chuanjun, Mr. ZHANG, Jack Jiyei and Mr. FENG Tao (Chief Financial Officer) and the independent non-executive directors are Mr. TAM Sun Wing, Mr. HUI, Yat On and Mr. ZHANG Songlin.*