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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The board (the “**Board**”) of directors (the “**Directors**”) of Peace Map Holding Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2017 with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2017

	Notes	2017 HK\$'000	2016 HK\$'000
Continuing operations			
Revenue	4	195,044	232,778
Cost of revenue		(255,989)	(228,585)
Gross (loss) profit		(60,945)	4,193
Other income	6	3,974	10,890
Selling and distribution expenses		(24,625)	(24,748)
Administrative and other operating expenses		(86,544)	(125,870)
Equity-settled share-based payment expenses		–	(2,215)
Share of result of associates		(1,870)	1,618
Impairment loss of goodwill		(285,807)	(183,404)
Impairment loss of other intangible assets		(89,453)	(220,793)
Other gain and losses, net	7	(64,513)	(41,281)
Operating loss		(609,783)	(581,610)
Finance costs	8	(58,960)	(52,509)
Loss before taxation	9	(668,743)	(634,119)
Income tax credit	10	11,626	35,964
Loss for the year from continuing operations		(657,117)	(598,155)
Discontinued operation			
Profit for the year from discontinued operation		–	77,862
Loss for the year		(657,117)	(520,293)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)**For the year ended 31 December 2017*

	<i>Notes</i>	2017 HK\$'000	2016 <i>HK\$'000</i>
(Loss) profit for the year attributable to owners of the Company:			
– from continuing operations		(633,492)	(587,422)
– from discontinued operation		–	77,849
		<hr/>	<hr/>
Loss for the year attributable to owners of the Company		(633,492)	(509,573)
		<hr/>	<hr/>
(Loss) profit for the year attributable to non-controlling interests:			
– from continuing operations		(23,625)	(10,733)
– from discontinued operation		–	13
		<hr/>	<hr/>
Loss for the year attributable to non-controlling interests		(23,625)	(10,720)
		<hr/>	<hr/>
		(657,117)	(520,293)
		<hr/> <hr/>	<hr/> <hr/>
		HK cents	<i>HK cents</i>
Loss per share	<i>12</i>		
From continuing and discontinued operations			
– Basic and diluted		(7.77)	(6.25)
		<hr/> <hr/>	<hr/> <hr/>
From continuing operations			
– Basic and diluted		(7.77)	(7.20)
		<hr/> <hr/>	<hr/> <hr/>

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

For the year ended 31 December 2017

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000
Loss for the year		(657,117)	(520,293)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of overseas operations		31,812	(68,979)
Reclassification adjustment for the cumulative loss (gain) included in profit or loss upon disposal of overseas operations		1,977	(70,491)
Other comprehensive income (expense) for the year		33,789	(139,470)
Total comprehensive expense for the year		(623,328)	(659,763)
Total comprehensive expense for the year attributable to:			
Owners of the Company		(602,650)	(645,226)
Non-controlling interests		(20,678)	(14,537)
		(623,328)	(659,763)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000
Non-current assets			
Property, plant and equipment		40,539	42,553
Interests in associates		3,962	11,697
Goodwill		116,186	404,076
Other intangible assets		126,434	230,466
Available-for-sale investment		–	4,465
Deferred tax assets		–	48
		<u>287,121</u>	<u>693,305</u>
Current assets			
Inventories		901	886
Amounts due from customers of contract works	13	217,677	221,097
Trade and other receivables	14	135,167	179,336
Finance lease receivables		2,161	2,010
Tax recoverable		6	6
Pledged bank deposits		165	197
Bank balances and cash		101,197	158,582
		<u>457,274</u>	<u>562,114</u>
Current liabilities			
Amounts due to customers of contract works	13	2,815	11,902
Trade and other payables	15	375,251	258,107
Amounts due to non-controlling shareholders		6,761	74,632
Amounts due to associates		6,168	44,135
Tax payables		1,675	5,648
Borrowings		43,386	30,624
Convertible notes		94,529	–
		<u>530,585</u>	<u>425,048</u>
Net current (liabilities) assets		<u>(73,311)</u>	<u>137,066</u>
Total assets less current liabilities		<u>213,810</u>	<u>830,371</u>
Non-current liabilities			
Amount due to a non-controlling shareholder		62,629	6,168
Borrowings		3,602	626
Convertible notes		427,856	469,282
Deferred income		–	264
Deferred tax liabilities		8,517	19,497
		<u>502,604</u>	<u>495,837</u>
Net (liabilities) assets		<u>(288,794)</u>	<u>334,534</u>
Capital and Reserves			
Share capital		81,568	2,039,195
Reserves		(401,537)	(1,756,514)
Equity attributable to owners of the Company		<u>(319,969)</u>	<u>282,681</u>
Non-controlling interests		31,175	51,853
Total equity		<u>(288,794)</u>	<u>334,534</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Peace Map Holding Limited 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 was approved by a special resolution passed on 10 July 2017 and became effective on 24 July 2017 (Bermuda time) / 25 July 2017 (Hong Kong time). The address of the registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of the principal place of business of the Company is situated at Rooms 2807-08, 28/F, Bank of America Tower, No. 12 Harcourt Road, Hong Kong.

The Company and its subsidiaries are principally engaged in the geographic information business in the People’s Republic of China (the “**PRC**”) including aerial photography and remote sensing image data collection (“**data collection**”), provision of geospatial data processing services, softwares and solutions (“**business application and services**”) and development and sales of high-end surveying and mapping equipment (“**development and sales of equipment**”). The Group’s mining and exploration business was discontinued during the year ended 31 December 2016 upon the completion of the disposal of Fast Billion Investments Limited, together with its subsidiaries, on 20 September 2016.

The consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”), which is also the functional currency of the Company other than those subsidiaries established in the PRC whose functional currency is Renminbi (“**RMB**”).

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), the disclosures requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

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

2. BASIS OF PREPARATION *(Continued)*

Going concern

During the year ended 31 December 2017, the Group recorded a net loss attributable to the owners of the Company of approximately HK\$633,492,000 and a net operating cash outflow of approximately HK\$65,540,000. As at 31 December 2017, the Group had net current liabilities and net liabilities of approximately HK\$73,311,000 and HK\$288,794,000 respectively, and the Group's total borrowings amounted to approximately HK\$632,002,000 which comprised interest-bearing amount due to a non-controlling shareholder, bank and other borrowings and convertible notes. Bank balances and cash amounted to approximately HK\$101,362,000. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. In view of these circumstances and after critical review of the financial position, the Directors have undertaken the following measures to improve the Group's liquidity and financial position:

1. Active negotiations with the noteholder to obtain an extension for repayment of convertible note due on 2 August 2018 and not to demand for repayment even if any event of default or potential event of default which might occur.
2. Active negotiations with the noteholders of notes due in 2020 to obtain their consent and undertaking not to demand the repayment of amount due even if any event of default or potential event of default which might occur.
3. Active negotiations with one of the substantial shareholders to obtain financial support to the Group for its operation on a going concern basis and undertake all the liabilities that may arise.
4. The Directors will continue to take active measures to control administrative costs through various channels including human resources optimization and containment of capital expenditures to improve operating cash flows and its financial position.

The validity of the going concern basis on which the consolidated financial statements are prepared is dependent on the successful and favourable outcomes of the above measures being taken by the Directors and the outcome of these measures as described above. Hence, the Directors are of the view that the Group would be able to generate sufficient funds to meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recognition of provisions or the realisation and reclassification of non-current assets and non-current liabilities that may be necessary if the Group is unable to continue as a going concern.

Should the Group fail to achieve the above mentioned plans and measures, it might not be able to continue operating as a going concern, and adjustments would have to be made to restate the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, HKASs, amendments and interpretations (“**Int(s)**”), issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle: Amendments to HKFRS 12
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 the other new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current year and prior years and/or on the disclosures set out in these 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 has resulted in additional disclosures on the Group’s financing activities, especially a reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities. On initial application of the amendments, the Group is not required to provide comparative information for preceding periods. Apart from the additional disclosure, the Directors considered that these amendments have had no material impact on the Group’s consolidated financial statements.

4. REVENUE

An analysis of the Group's revenue for the year from continuing operations is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Business application and services	139,397	157,697
Data collection	54,727	73,387
Development and sales of equipment	920	1,694
	<u>195,044</u>	<u>232,778</u>

5. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chairman of the Board, 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. No operating segments identified by the chief operating decision-maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments 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 during the year ended 31 December 2016. The segment information for the year ended 31 December 2016 reported does not include any amounts for this discontinued operation.

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 year ended 31 December 2017

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	139,397	54,727	920	195,044
Segment loss	<u>(417,979)</u>	<u>(90,228)</u>	<u>(12,645)</u>	(520,852)
Other income				1,938
Finance costs				(58,960)
Loss on disposal of a subsidiary				(18,913)
Loss on disposal of an associate				(1,629)
Impairment loss of available-for-sale investment				(4,614)
Central administrative cost				(63,843)
Share of result of associates				<u>(1,870)</u>
Loss before taxation				<u><u>(668,743)</u></u>

For the year ended 31 December 2016

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	157,697	73,387	1,694	232,778
Segment loss	<u>(155,165)</u>	<u>(242,395)</u>	<u>(57,546)</u>	(455,106)
Other income				4,055
Finance costs				(52,509)
Loss on deregistration of a subsidiary				(4,718)
Impairment loss of available-for-sale investment				(7,011)
Central administrative cost				(118,233)
Equity-settled share-based payment expenses				(2,215)
Share of result of associates				<u>1,618</u>
Loss before taxation				<u><u>(634,119)</u></u>

5. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

Segment loss represents the loss from each segment without allocation of central administrative cost, directors' salaries, certain other income, equity-settled share-based payment expenses, share of result of associates, loss on disposal of a subsidiary/an associate, loss on deregistration of a subsidiary, impairment loss of available-for-sale investment and finance costs. This is the measure reported to the chairman of the Board, being the chief operating decision maker, for the purposes of resource allocation and performance assessment.

There were no inter-segment sales between different business segments for the years ended 31 December 2017 and 2016.

6. OTHER INCOME

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Continuing operations		
Bank interest income	459	654
Exchange gain, net	102	–
Subletting rental income	–	300
Government grants <i>(note (i))</i>	2,036	5,720
Write-back of trade and other payables	–	4,166
Refund of consultancy fee	1,000	–
Sundry income	377	50
	<u>3,974</u>	<u>10,890</u>

Note:

- (i) Included in the amount of government grants recognised during the year ended 31 December 2017, approximately RMB1,765,000 (equivalent to approximately HK\$2,036,000) (2016: RMB4,895,000 (equivalent to approximately HK\$5,720,000)) were granted in respect of certain research projects, which was immediately recognised as other income for the year as the Group has fulfilled the relevant granting criteria.

7. OTHER GAIN AND LOSSES, NET

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Continuing operations		
Reversal of loss on uncertainty in respect of collectability of amounts due from customers of contract works (<i>note 13</i>)	(2,360)	(16,479)
Loss on uncertainty in respect of collectability of amounts due from customers of contract works (<i>note 13</i>)	33,249	13,771
Reversal of impairment loss of trade receivables	(213)	(6,057)
Impairment loss of trade and other receivables	5,933	10,893
Impairment loss of available-for-sale investment	4,614	7,011
Impairment loss of property, plant and equipment	1,872	–
Loss on disposal of a subsidiary	18,913	–
Loss on disposal of an associate	1,629	–
Write-off of property, plant and equipment	54	15,989
Write-off of other intangible assets	822	4,880
Write-off of trade and other receivables	–	6,555
Loss on deregistration of a subsidiary	–	4,718
	<u>64,513</u>	<u>41,281</u>

8. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Continuing operations		
Interest on:		
– Bank loans	2,297	1,939
– Unsecured loan from a non-controlling shareholder	3,560	2,754
	<u>5,857</u>	<u>4,693</u>
Imputed interest on extended Convertible Note I	44,452	39,937
Imputed interest on Convertible Note II	8,651	7,879
	<u>53,103</u>	<u>47,816</u>
Total	<u>58,960</u>	<u>52,509</u>

9. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Continuing operations		
Staff costs (including directors' and chief executive's emoluments)		
– salaries and allowances	72,604	86,659
– retirement benefits scheme contributions (defined contribution plans)	11,352	17,180
– equity-settled share-based payment expenses	–	2,215
	<u>83,956</u>	<u>106,054</u>
Amount of inventories recognised as an expense	644	2,399
Amortisation of other intangible assets	35,683	53,368
Depreciation of property, plant and equipment	9,075	12,520
Auditor's remuneration	1,380	1,320
Allowance for inventories	–	365
Loss arising from change in shareholding in an associate	–	97
Exchange losses, net	–	9,895
Net loss on disposal of property, plant and equipment	100	65
Minimum lease payments under operating leases in respect of rented land and buildings and other intangible assets	<u>13,308</u>	<u>17,092</u>

10. INCOME TAX CREDIT

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Continuing operations		
Current tax for the year		
– PRC Enterprise income tax (“EIT”)	286	3,699
Deferred tax for the year		
– Current year	(11,912)	(39,663)
Income tax credit	<u>(11,626)</u>	<u>(35,964)</u>

10. INCOME TAX CREDIT *(Continued)*

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

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for both years. No provision for Hong Kong profits tax has been made as there were no assessable profits generated for the years ended 31 December 2017 and 2016.

Under the Law of the PRC on EIT and Implementation Regulation (the “**EIT Law**”), the tax rate applicable to the PRC subsidiaries is 25% from 1 January 2008 onwards. Accordingly, provision for PRC EIT for the PRC subsidiaries is calculated at 25% on the estimated assessable profits for the years ended 31 December 2017 and 2016, except for the following:

A subsidiary of the Company, 北京天下圖信息技術有限公司 (Beijing Peace Map Information and Technology Limited*) (“**Beijing Peace Map Information**”) was confirmed to be recognised as a software enterprise and therefore is entitled to a tax concession of full exemption from EIT from 2012 to 2013 and followed by half reduction in EIT rate of 12.5% from 2014 to 2016. During the year ended 31 December 2016, Beijing Peace Map Information was recognised as an approved high technology enterprise and therefore is entitled to a tax concession period of reduction in EIT rate of 15% from 2017 to 2019.

A subsidiary of the Company, 北京天下圖數據技術有限公司 (Peace Map Co. Ltd*) (“**Beijing Peace Map**”) was recognised as an approved high technology enterprise and therefore is entitled to a tax concession period of reduction in EIT rate of 15% from 2015 to 2017.

A subsidiary of the Company, 北京海澄華圖科技有限公司 (Beijing Haicheng Huatu Technology Limited*) (“**Haicheng Huatu**”) was recognised as a software enterprise in 2013 and therefore is entitled to a tax concession of full exemption from EIT for two years from 2013 to 2014 and followed by half reduction in EIT rate of 12.5% from 2015 to 2017. However, Haicheng Huatu has been disposed of during the year ended 31 December 2017.

A former subsidiary of the Company, 北京勝和幢科技有限責任公司 (Beijing Shenghezhuang Technology Limited*) (“**Shenghezhuang**”) was recognised as an approved high technology enterprise in 2014 and therefore is entitled to a tax concession period of reduction in EIT rate of 15% from 1 January 2014 to 31 December 2016. However, Shenghezhuang had been deregistered in March 2016 and no tax concession was granted during the year ended 31 December 2016.

11. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

* *For identification purpose only*

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:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share		
– loss for the year attributable to owners of the Company	<u>(633,492)</u>	<u>(509,573)</u>
	2017 <i>'000</i>	2016 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>8,156,781</u>	<u>8,156,781</u>

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:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company	(633,492)	(509,573)
Less: profit for the year attributable to owners of the Company from discontinued operation	<u>–</u>	<u>(77,849)</u>
Loss for the purpose of basic and diluted loss per share from continuing operations	<u>(633,492)</u>	<u>(587,422)</u>

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

c) From discontinued operation

Basic and diluted earnings per share for the discontinued operation attributable to the owners of the Company is HK0.95 cents per share for the year ended 31 December 2016, based on the profit for the year ended 31 December 2016 from the discontinued operation of approximately HK\$77,849,000 and the denominators detailed above for both basic and diluted earnings per share.

For the years ended 31 December 2017 and 2016, the diluted loss per share is the same as the basic loss per share.

The computation of diluted loss per share for the years ended 31 December 2017 and 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 years ended 31 December 2017 and 2016 did not assume the conversion of the Company's outstanding convertible notes as the conversion price of the convertible notes would result in a decrease in loss per share.

13. AMOUNTS DUE FROM (TO) CUSTOMERS OF CONTRACT WORKS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Costs incurred to date plus recognised profits	474,133	521,374
Less: Progress billings to date	<u>(259,271)</u>	<u>(312,179)</u>
	<u>214,862</u>	<u>209,195</u>
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Analysed for reporting purpose as:		
Amounts due from customers of contract works	217,677	221,097
Amounts due to customers of contract works	<u>(2,815)</u>	<u>(11,902)</u>
	<u>214,862</u>	<u>209,195</u>

Based on the assessment of the Directors, certain contract works have been suspended or have not yet been compromised with the customers on amount of final billing, as such, the related carrying amounts of contract works are not probable to recover. During the year ended 31 December 2017, loss on uncertainty in respect of collectability of amounts due from customers of contract works of approximately HK\$33,249,000 (2016: HK\$13,771,000) and the respective reversal of approximately HK\$2,360,000 (2016: HK\$16,479,000) was recognised in the profit or loss respectively (note 7).

14. TRADE AND OTHER RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade receivables		
– From third parties	87,271	101,865
– From a non-controlling shareholder	–	13,688
	<u>87,271</u>	<u>115,553</u>
Less: accumulated impairment loss	<u>(18,698)</u>	<u>(12,831)</u>
	<u>68,573</u>	<u>102,722</u>
Prepayments and deposits	16,881	34,456
Amounts due from non-controlling shareholders	119	3,075
Amount due from an associate	–	452
	<u>17,000</u>	<u>37,983</u>
Other receivables	54,241	42,952
Less: accumulated impairment loss	<u>(4,647)</u>	<u>(4,321)</u>
	<u>49,594</u>	<u>38,631</u>
Total trade and other receivables	<u><u>135,167</u></u>	<u><u>179,336</u></u>

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 (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 and normally over 1 year as low default risk.

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within 90 days	29,531	38,869
91 to 180 days	7,301	6,649
181 to 365 days	13,067	14,700
Over 365 days	18,674	42,504
	<u>68,573</u>	<u>102,722</u>

14. TRADE AND OTHER RECEIVABLES (Continued)

The aged analysis of trade receivables which are past due but not impaired is set out below:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Neither past due nor impaired	42,922	56,392
Past due but not impaired		
Within 90 days	7,082	21,311
91 to 365 days	12,789	21,624
Over 365 days	5,780	3,395
	<u>68,573</u>	<u>102,722</u>

Trade receivables that were past due but not impaired as at 31 December 2017 and 2016 relate to a wide range of customers. Based on past experiences, the Directors believe that no other impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

15. TRADE AND OTHER PAYABLES

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade payables aged		
Within 90 days	107,470	74,171
91 to 180 days	27,128	19,228
181 to 365 days	108,738	32,297
Over 365 days	60,932	59,214
	<u>304,268</u>	<u>184,910</u>
Receipt in advance	12,575	13,964
Other tax payables	30,308	28,568
Other payables and accruals	28,100	30,665
	<u>375,251</u>	<u>258,107</u>

The credit period granted by suppliers and sub-contractors is normally 90 to 180 days as at 31 December 2017 (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.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the year ended 31 December 2017, the Group is principally engaged in (i) business application and services; (ii) data collection; and (iii) development and sales of equipment.

Revenue

The total revenue of the Group decreased by HK\$37.8 million or 16.2%, from HK\$232.8 million last year to HK\$195.0 million for the year ended 31 December 2017, mainly due to the decrease in revenue generated from business application and services segment and data collection segment in year 2017. The revenue contributed by business application and services, data collection and development and sales of equipment amounted to HK\$139.4 million, HK\$54.7 million and HK\$0.9 million respectively for the year ended 31 December 2017 (2016: HK\$157.7 million, HK\$73.4 million and HK\$1.7 million respectively), which represented 71.5%, 28.0% and 0.5% respectively (2016: 67.7%, 31.6% and 0.7% respectively) of the Group's total revenue. Despite continued efforts made by the team of development and sales of equipment, the performance of such segment is minimal due to the lack of customer base and market presence. In view of this, the Group will slow down its business plan of development in respect of this segment.

Cost of revenue

The Group's cost of revenue was HK\$256.0 million, representing an increase of HK\$27.4 million or 12.0% as compared to HK\$228.6 million last year. Such increase was primarily due to the increase in cost of segment from business application and services as well as data collection including data processing and rental of machines and software, etc.

Gross (loss) profit

The Group turned from HK\$4.2 million of gross profit last year into a gross loss of HK\$60.9 million this year, as a result of significant increase in cost of data processing and rental of machines and software, etc.

Other income

Other income during the year under review amounted to HK\$4.0 million, representing a decrease of HK\$6.9 million or 63.3% as compared to HK\$10.9 million last year, which was mainly due to the decrease of government grants.

Selling and distribution expenses

The selling and distribution expenses decreased by HK\$0.1 million to HK\$24.6 million during the year (2016: HK\$24.7 million), representing a decrease of 0.4% against the year of 2016.

Administrative and other operating expenses

The administrative and other operating expenses decreased by HK\$39.4 million to HK\$86.5 million during the year (2016: HK\$125.9 million), representing a decrease of 31.3% against the year of 2016. The administrative expenses mainly consisted of legal and professional fees, staff costs (including directors' emoluments), depreciation expenses and amortisation expenses.

Finance costs

The Group recorded finance costs of HK\$59.0 million, representing an increase of HK\$6.5 million or 12.4% as compared to HK\$52.5 million of last year. The finance costs included the interests incurred from bank and other loans, and the imputed interests on convertible notes.

Impairment loss of goodwill

The Group recorded an impairment loss of goodwill of HK\$285.8 million for the year (2016: HK\$183.4 million) due to the decline of operating performance in segment of business application and services and data collection.

Impairment loss of other intangible assets

The Group recorded an impairment loss of other intangible assets of HK\$89.5 million for the year (2016: HK\$220.8 million) due to the decline of operating performance in segment of business application and services and data collection.

Loss for the year attributable to owners of the Company

As a result, the loss attributable to owners of the Company was HK\$633.5 million, which increased by HK\$123.9 million as compared to HK\$509.6 million of last year.

Financial review

Liquidity and financial resources

The Group's bank balances and cash amounted to HK\$101.2 million as at 31 December 2017, representing a decrease of HK\$57.4 million as compared to HK\$158.6 million as at 31 December 2016.

As at 31 December 2017, the total borrowings of the Group, which included convertible notes, bank borrowings and amounts due to a non-controlling shareholder, were HK\$638.8 million, representing an increase of HK\$57.5 million as compared to that of HK\$581.3 million as at 31 December 2016.

The Group's current ratio as at 31 December 2017, calculated by dividing current assets by current liabilities, was 0.9 times (2016: 1.3 times). The gearing ratio as at 31 December 2017, calculated by dividing total borrowings, net of bank balances and cash, and pledged bank deposits by total equity, was 186.1% (2016: 126.3%).

Charges on the Group's assets

As at 31 December 2017, the Group pledged its assets with an aggregate net book value of HK\$3.9 million (2016: HK\$4.1 million) to secure bank borrowings.

Contingent liabilities

The Group had no material contingent liability as at 31 December 2017 and 2016.

Capital structure

As at 31 December 2017, the Group's consolidated net liabilities amounted to HK\$288.8 million, representing a decrease of HK\$623.3 million as compared to HK\$334.5 million of consolidated net assets in 2016.

As at 31 December 2017, the Company had 8,156,781,091 shares of HK\$0.01 each in issue.

Capital reorganisation

On 14 August 2017, the Company effected the capital reorganisation (the “**Capital Reorganisation**”, which included:

- i. the issued share capital of the Company reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.24 on each of the ordinary share(s) of HK\$0.25 each in the existing issued and unissued share capital of the Company prior to the Capital Reorganisation becoming effective (“**Existing Shares**”) such that the nominal value of each issued Existing Share would be reduced from HK\$0.25 to HK\$0.01 (the “**Capital Reduction**”);
- ii. 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 ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective (“**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;
- iii. the credits 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
- iv. the amount 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 adopted by the Company on 24 July 2017 (Bermuda time)/25 July 2017 (Hong Kong time) and all applicable laws of Bermuda.

For details, please refer to the Company’s announcements dated 2 June 2017, 10 July 2017 and 14 August 2017, respectively and the Company’s circular dated 16 June 2017.

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.

Employees and remuneration

As at 31 December 2017, the Group had 420 employees (2016: 411 employees). Total staff costs, including directors' emoluments for the year amounted to HK\$84.0 million (2016: HK\$106.1 million). The Group's remuneration policies are primarily based on the prevailing market salary levels and the performance of the Group and of the individuals concerned. In addition to salary payments, other staff benefits include performance bonuses, education subsidies, provident funds, medical insurance and the use of share option schemes to recognise and acknowledge contributions made or potentially to be made to the business development of the Group by its employees.

Business Review

Business Related to Geographic Information Industry

During the year, the Group continued to commit to developing its business relating to the geographic information industry, which is mainly based on the geospatial business application and services and partially based on 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, including digital orthophoto model (DOM), digital elevation model (DEM), digital line graphics (DLG) and digital raster graphics (DRG).

During the year, on the basis of guaranteeing the ongoing development of traditional surveying and mapping services such as planning, national territory and geographical conditions, the Group further shifted its business focus to application business of the industry. The Group did not only succeed in bidding for agricultural insurance services, but also cooperated with local governments in the development of UAV-featured towns business. The transformation results are expected to be stabilized in the next year. In addition, the Group has always attached great importance to its social responsibilities and actively participated in emergency and public security projects covering emergency, public security, environmental protection, meteorological phenomena and urban management, safety supervision, etc. During the year, this segment recorded a turnover of approximately HK\$139.4 million, with a decrease of 11.6% on a year-on-year basis, which was mainly attributable to business transformation which led to a decrease in revenue for pure data processing services. As a result, the overall revenue of this segment declined.

Data Collection

Since the entry into the geographic information industry, the Group has had excellent geospatial information data acquisition capability, and 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 the street view data and unmanned aerial vehicles low altitude remote sensing data acquisition, etc. During the year, the data collection segment recorded a turnover of approximately HK\$54.7 million, with a decrease of 25.4% on a year-on-year basis, which was due to a further transformation and adjustment of the Group and the change of the core of business layout into data application and service.

Development and Sales of Equipment

The Group has the independent ability to develop and manufacture high-end surveying and mapping equipments such as laser panoramic photogrammetry vehicles, professional aerial surveying and mapping unmanned aerial vehicles and geographic information emergency surveillance vehicles, etc. and has been a franchisee distributor of Ultracam series aerial camera products developed by Microsoft Corporation. During the year, the development and sales of equipment segment recorded a turnover of approximately HK\$0.9 million, with a decrease of 45.7% on a year-on-year basis, which was mainly attributable to the change of business layout and the decrease of total number of contracts in this business segment which led to a decrease in revenue for rental of equipments and manufacture of hardware devices.

PROSPECTS

Construction of Smart Cities and UAV-featured Towns

Construction of Smart Cities

According to the plan of the relevant ministries and departments for promoting smart city construction, more than 500 smart cities are expected to commence construction or are under construction in Mainland China this year. Currently, 290 cities have been selected as pilot national smart cities and more than 300 cities have signed agreements in respect of smart city construction.

The enthusiasm on constructing smart cities has been on the rise all over Mainland China since the smart city concept was introduced. The PRC Government has announced three batches of pilot smart cities by far, involving a total of 290 cities. “Report of Prospects and Investment Forecast on China Smart City Construction” (《中國智慧城市建設發展前景與投資預測分析報告》) released by QIANZHAN INTELLIGENCE CO., LTD pointed out that, up to now, 95% of the sub-provincial cities and 89% of the prefecture-level cities, or a total of more than 500 cities, have explicitly proposed the construction of smart city in their government work reports or in the 13th Five-Year Plan or have been doing so.

Smart city will become a city’s overall development strategy, and as a new engine for economic transformation, industrial upgrading and urban upgrading, it will serve the purpose of improving people’s livelihood, increasing enterprises’ economic competitiveness and boosting a city’s sustainable development, so as to embody higher urban development principle and innovation spirit.

Xiantao Municipal Commission of Housing of Urban-Rural Development (仙桃市住房和城鄉建設委員會) plans to carry out the establishment of smart housing and construction information platform so as to implement “Several Opinions on Promoting the Development and Reform of Construction Industry” (《關於推進建築業發展和改革的若干意見》) and “2016-2020 Construction Industry Information Development Program” (《2016-2020年建築業信息化發展綱要》) issued by the Ministry of Housing and Urban-Rural Development of the PRC, “the “13th Five-Year” Plan of Hubei Housing and Urban-Rural Construction Network and Informatization” (《湖北省住房城鄉建設網路和信息化「十三五」規劃》) issued by Department of Housing and Urban-Rural Development of Hubei Province and “A Notice of the Municipal People’s Government Office on the Breakdown of Urban Construction and Double Repairment Major Project in the year 2017” (《市人民政府辦公室關於分解2017年城市建設和城市雙修重點工程任務的通知》) issued by the People’s Government of Xiantao. Xiantao smart housing and construction information platform is necessary for creating a “Smart City” and a “Sponge City”, which will greatly enhance the management of municipal infrastructure in Xiantao and effectively enhance the informationization of urban and rural municipal infrastructure management.

Xiantao Smart Housing and Construction Information Platform Project includes housing and construction administration office system, information system of urban smart gardening, warning, monitoring and command system for preventing waterlogging and discharging drains in urban areas, smart management system of pump stations and culvert, grid management system of municipal facilities maintenance, information management system of underground-integrated pipeline network, monitoring system of bridges, monitoring system of urban gas, management system of urban street lights, collection and disposal management system for rural cleaning projects, monitoring system of urban and rural sewage treatment plants, monitoring system of urban water supply, information management system of urban construction archives, management system of smart city public transportation, regulatory platform of provincial construction project testing information and integrated information regulatory platform of the national construction system.

The UAV-Featured Town Project

Taking UAV (unmanned aerial vehicle) industry as the core productivity, this project is designed to introduce the upstream and downstream projects of the UAV industry to settle in Xiantao and attract leading enterprises at home and abroad to establish their operations in town. By extending the industry through related services such as UAV flight operator training, international drone-related contests and drone flying experiences, it will make Xiantao an international UAV experience and training centre, a flight experience centre, an ecologically livable city and a AAAAA aviation-themed tourist area. The “UAV-Featured Town” Project can grasp the good opportunities in the industry to further integrate the investment elements of enterprises by leveraging the industrial chain advantages, boost the consumption of the tertiary industry, and enhance the Company’s reputation so as to further develop the Company’s new businesses.

Traditional surveying and mapping industry

On 4 January 2018, the Ministry of Land and Resources of the PRC printed and distributed the “Overall Plan for the Third National Land Survey” (《第三次全國土地調查總體方案》) (the “**Third Land Survey**”), requiring “start of the third land survey across the country in 2018, completion of obtaining and processing of remote sensing data and preliminary classification of the whole territory, and completion of the preparation of a unified base map for land surveys and distribution of the map throughout the country to conduct surveys”. In 2017, the Group participated in pilot projects in certain cities, and acquired certain technical advantages in obtaining and processing remote sensing data. In the year 2018, the Group plans to set up a professional technical team, and believes that the business related to the Third Land Survey will flourish rapidly.

On 16 December 2016, the Ministry of Land and Resources of the PRC issued the “Circular on Issues Concerning Further Accelerating the Specification, Registration and Certification of rights of the use of Countryside Homestead and Collective Construction Land” (《關於進一步加快宅基地和集體建設用地確權登記發證有關問題的通知》), requiring to vigorously promote the specification, registration and certification of rights of the use of countryside homestead and collectively construction land in rural areas. Up to now, all provinces and municipalities in the country have successively carried out tendering. In recent years, the Group has undertaken a large number of projects on specification, registration and certification of land ownership, and registration and certification of real estate, etc., therefore, the Group has been familiar with processes in specification of rights in land surveys and registration and certification of real estates. The Group also has trained a large number of technical staff, laying a solid foundation for specification, registration and certification of rights of use in integrating land and house. In 2018, the Group will sum up its experience based on the contracted projects, and continue to carry out projects.

On 10 April 2017, the State Council of the PRC promulgated the “Guidance on the Establishment of Functional Zones for Food Production and Protection Zones for Important Agricultural Products” (《關於建立糧食生產功能區和重要農產品生產保護區的指導意見》), which pointed out that the country shall strive to complete the assignment of plotting 1,058 million mu area for the “two-zones” within three years. In 2017, the nationwide pilot work has basically ended and the project will be fully implemented in 2018. The Group has undertaken nearly a hundred rural land contracted management right projects across the country since 2013 and the customer resources, market reputation and influence accumulated in the relevant sector will have a positive effect on the projects for “plotting two-zones”.

On 7 February 2017, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued “Several Opinions on Demarcating and Strictly Keeping the Ecological Redlines” (《關於劃定並嚴守生態保護紅線的若干意見》), and issued a notice calling on all localities and departments to seriously carry it out in light of actual conditions. The Group had developed a business system of ecological redlines early in 2015. The Group won the bid of participating in the national pilot projects in 2017 and cooperated with the State’s Environmental Protection Administration authorities in providing important technical support for the ecological redlines using remote sensing data in a number of provinces and municipalities. All these have prepared the Group in advance for aggressively promoting the application in the environmental protection industry in 2018, laying a solid foundation for future business development.

At present, 89% of the cities at prefecture level and above in Mainland China have explicitly put forward the plan of developing smart cities as their main strategy in economic development. More than 500 cities are piloting with smart cities. In order to further improve the efficiency of smart city construction, there is a strong demand for three-dimensional modeling technology, and the addition of oblique photography will be of great help to three-dimensional modeling and city development. As the first enterprise in the PRC to introduce oblique photography technology, the Group has introduced a number of advanced oblique aerial cameras and data processing software at home and abroad. It has accumulated extensive technical experience in the implementation of various projects, and has expanded into planning and state territory based on oblique data applications. In 2018, the Group will continue to increase its market influence by leveraging on its technology and equipment advantages, and strive for a wider application of the oblique photography technology.

Informatization of Agricultural Insurance

At the beginning of 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 that, the Group won the bid of agricultural insurance service project awarded by PICC in late 2017 and signed the national service contract featuring “map-based underwriting and map-based settlement of claims”. This implies that both parties will strengthen cooperation and communication, integrate advantageous resources, actively develop the informatization of agricultural insurance, with a focus on building a “Nature-Land-People” integrated agricultural insurance management and service system based on remote sensing technology, relying on the geographic information system and aided by the global positioning system. The purposes are to ensure “map-based underwriting” and “map-based settlement of claims” for agricultural insurance, and to solve the problem of unbalanced information, high operating costs and low service efficiency in the agricultural insurance operation.

2018 will be a year for the Group to work hard towards the stated goal. After the transformation and upgrading and expansion into related industries, the Board has sufficient confidence in bringing desirable returns to the shareholders of the Company.

DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2017, nor has any dividend been recommended since the end of the reporting period (year ended 31 December 2016: nil).

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board considers that good corporate governance is essential for enhancing accountability and transparency of a company to the investment public and other shareholders. Therefore, the Directors are dedicated to maintaining 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 Rules Governing the Listing of Securities on the Stock Exchange for the year ended 31 December 2017.

REVIEW OF THIS RESULTS ANNOUNCEMENT

Audit Committee

The audit committee of the Company (the “**Audit Committee**”) currently comprises three independent non-executive Directors, namely, Mr. ZHANG Songlin, Ms. LI Nan and Mr. XU Lei. Mr. ZHANG Songlin, who possesses professional accounting qualifications and relevant accounting experience, is the Chairman of the Audit Committee.

Under the terms of reference of the Audit Committee, its main role and functions are to review the Group’s financial information, to supervise the Group’s financial reporting and internal control systems, the Group’s risk management systems and to maintain relationship with the auditor of the Company.

The Board has, through the Audit Committee, conducted regular reviews on the effectiveness of the internal control system and risk management system of the Group during the year ended 31 December 2017 and the interim and annual results, and has reviewed with management the accounting principles and practices adopted by the Group and discussed the auditing and financial reporting matters of the Group.

The Group’s final results for the year ended 31 December 2017 have been reviewed by the members of the Audit Committee before submission to the Board for approval.

Scope of work of SHINEWING (HK) CPA Limited

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in this announcement have been agreed by the Group’s auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The below sections set out an extract of the report by SHINEWING (HK) CPA LIMITED, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 December 2017:

“Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other aspects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

We draw attention to note 1 to the consolidated financial statements, which indicates that the Group reported a net loss attributable to the owners of the Company of approximately HK\$633,492,000 and had a net operating cash outflow of approximately HK\$65,540,000 during the year ended 31 December 2017. As at 31 December 2017, the Group had net current liabilities and net liabilities of approximately HK\$73,311,000 and HK\$288,794,000 respectively. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern.

In order to improve the liquidity and financial position, the directors of the Company have been undertaking a number of measures as set out in note 1 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including (i) the successful negotiation with the noteholder for the extension for repayment of convertible note due on 2 August 2018; (ii) the successful negotiations with all noteholders to undertake not to demand for repayment of amounts due even if any event of default or potential event of default might occur; and (iii) successful negotiations with one of the substantial shareholders to obtain financial support to the Group and undertake all the liabilities that may arise.

Should the Group fail to achieve the above mentioned measures, it might not be able to continue as a going concern as the Group would be unable to meet its financial commitments based on the current level of its bank balances and cash. Due to the significance of the uncertainties associated with this matter, we disclaim our opinion in this regard.”

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

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any listed securities of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND REPORT

This announcement is available for viewing on the designated website of the Stock Exchange at www.hkexnews.hk and the Company's website at <http://www.peacemap.com.hk>. The report of the Company for the year ended 31 December 2017 will be despatched to shareholders of the Company and published on the aforementioned websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to all our management and staff members for their diligence and dedication over the past year. Along the line, we will continue to improve our existing operation and carry out further exploration and development for important businesses while ramping up development of new business ventures and exploring mergers and acquisitions opportunities, with an aim of enhancing shareholder's value in the long run.

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

Hong Kong, 29 March 2018

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