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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The joint liquidators (the "**Joint Liquidators**") of Peace Map Holding Limited (In Liquidation) (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2018 with comparative figures for the preceding financial year as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
Revenue	4	**145,832**	195,044
Cost of sales		**(111,283)**	(255,989)
Gross profit/(loss)		**34,549**	(60,945)
Other income	6	**662**	3,974
Selling and distribution expenses		**(15,436)**	(24,625)
Administrative and other operating expenses		**(45,904)**	(86,544)
Share of result of associates		**(854)**	(1,870)
Impairment loss of goodwill	13	**(116,186)**	(285,807)
Impairment loss of other intangible assets	13	**(98,603)**	(89,453)
Impairment loss of property, plant and equipment	13	**(17,631)**	(1,872)
Impairment loss of interests in associates	13	**(2,452)**	–
Impairment loss on inventories		**(967)**	–
Allowance for expected credit losses/impairment loss	7(a)	**(3,536)**	(39,182)
Other gain and losses, net	7(b)	**(835)**	(23,459)
Operating loss		**(267,193)**	(609,783)
Finance costs	8	**(142,563)**	(58,960)
Loss before taxation	9	**(409,756)**	(668,743)
Income tax credit	10	**–**	11,626
Loss for the year		**(409,756)**	(657,117)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*

For the year ended 31 December 2018

	Notes	**2018** ***HK$'000***	2017 *HK$'000*
Loss for the year attributable to:–			
Owners of the Company		**(353,263)**	(633,492)
Non-controlling interests		**(56,493)**	(23,625)
		(409,756)	(657,117)
		HK cents	HK cents
Loss per share	*12*		
– Basic		**(4.33)**	(7.77)
		HK cents	HK cents
Loss per share	*12*		
– Diluted		**(4.33)**	(7.77)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	2018	2017
	HK$'000	*HK$'000*
Loss for the year	**(409,756)**	(657,117)
Other comprehensive income		
Items that may be reclassified subsequently to consolidated profit or loss:–		
Exchange differences arising from translation of overseas operations	**16,588**	31,812
Reclassification adjustment for the cumulative loss included in profit or loss upon disposal of overseas operations	**–**	1,977
Other comprehensive income for the year	**16,588**	33,789
Total comprehensive expense for the year	**(393,168)**	(623,328)
Total comprehensive expense for the year attributable to:–		
Owners of the Company	**(336,952)**	(602,650)
Non-controlling interests	**(56,216)**	(20,678)
	(393,168)	(623,328)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Property, plant and equipment	13	**13,565**	40,539
Interests in associates	13	**1,508**	3,962
Goodwill	13	–	116,186
Other intangible assets	13	**60,646**	126,434
Financial asset at fair value through profit or loss/available-for-sale investment		–	–
		75,719	287,121
Current assets			
Inventories		–	901
Contract assets	14	**177,569**	–
Amounts due from customers of contract works	14	–	217,677
Trade and other receivables	15	**176,135**	135,167
Finance lease receivables		**2,049**	2,161
Tax recoverable		**6**	6
Pledged bank deposits		**13**	165
Cash and cash equivalents		**17,030**	101,197
		372,802	457,274
Current liabilities			
Contract liabilities	14	**67,952**	–
Amounts due to customers of contract works	14	–	2,815
Trade and other payables	16	**322,486**	375,251
Amounts due to non-controlling shareholders		**65,853**	6,761
Amounts due to associates		**8,343**	6,168
Tax payables		**1,588**	1,675
Borrowings		**304**	43,386
Convertible notes	17	**660,756**	94,529
		1,127,282	530,585
Net current liabilities		**(754,480)**	(73,311)
Total assets less current liabilities		**(678,761)**	213,810

CONSOLIDATED STATEMENT OF FINANCIAL POSITON *(Continued)*

As at 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current liabilities			
Amount due to a non-controlling shareholder		–	62,629
Borrowings		**3,416**	3,602
Convertible notes	*17*	–	427,856
Deferred tax liabilities		–	8,517
		3,416	502,604
Net liabilities		**(682,177)**	(288,794)
Capital and Reserves			
Share capital		**81,568**	81,568
Reserves		**(738,489)**	(401,537)
Equity attributable to owners of the Company		**(656,921)**	(319,969)
Non-controlling interests		**(25,256)**	31,175
Total equity		**(682,177)**	(288,794)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

Suspension of trading in shares of the Company

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

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

On 3 August 2018, the Supreme Court of Bermuda (the "**Court**") ordered the Company be wound up under the provisions of section 161(e) of the Bermuda Companies Act 1981 (the "**Order**') and Mr. Keiran Hutchison of EY Bermuda Limited, together with Mr. David Yen Ching Wai and Ms. Anita So Kit Yee of Ernst & Young Transactions Limited be appointed as the Joint Provisional Liquidators.

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

The Company's principal activity is investment holding while its subsidiaries are principally engaged in the geographic information business in the PRC including aerial photography, and remote sensing image data collection ("**data collection**"), provision of geospatial data processing services, softwares and solutions ("**business application and services**") and development and sales of high-end surveying and mapping equipment ("**development and sales of equipment**"). Subsequent to the end of the reporting period, on 8 April 2019, the Company entered into a disposal agreement to sell the entire equity interests in Jichang Investments Limited ("**Jichang Investments**") and its subsidiaries ("**Jichang Group**") at a consideration of HK$10,000,000 to an independent third party. Jichang Group are the major subsidiaries of the Group and are principally engaged in the geographic information business in the PRC as mentioned above. Amounts owing by/to Jichang Group to/by the Company as at the date of the disposal would be waived.

1. **GENERAL INFORMATION** *(Continued)*

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

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

Listing status of the Company

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

(a) demonstrate its compliance with Rule 13.24 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**");

(b) have the winding up petitions against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged;

(c) publish all outstanding financial results and address all audit modifications; and

(d) inform the market of all material information for the Company's shareholders and other investors to appraise its positions.

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

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

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

1. GENERAL INFORMATION *(Continued)*

Listing status of the Company *(Continued)*

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

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

2. BASIS OF PREPARATION

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

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

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

Joint Liquidators are unable to ascertain whether the books and accounting records of the Group were properly prepared and maintained for the years of 2018 and 2017. These consolidated financial statements are prepared by Joint Liquidators based on the best information available to the Company.

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

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

2. BASIS OF PREPARATION *(Continued)*

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

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

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

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

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

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

In addition, the Group reported a net loss attributable to the owners of the Company of approximately HK$353,263,000 during the year ended 31 December 2018. As at 31 December 2018, the Group had net current liabilities and net liabilities of approximately HK$754,480,000 and HK$682,177,000, respectively.

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

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

3. APPLICATION OF NEW AND REVISED HKFRSs

New and amended standards adopted by the Group

In the current year, the Group has adopted the following new and revised HKFRSs, which include HKFRSs, HKASs, amendments and interpretations ("**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

Except as described below, the application of the new and revised HKFRSs, HKASs, amendments and interpretations 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.

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. Any cumulative effect of initial application of HKFRS 9 has been recognised as adjustments to the opening equity.

3. APPLICATION OF NEW AND REVISED HKFRSs *(Continued)*

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

3.1 HKFRS 9 Financial Instruments *(Continued)*

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. APPLICATION OF NEW AND REVISED HKFRSs *(Continued)*

New and amended standards adopted by the Group *(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	Reclassification	Remeasurement	Carrying amounts under HKFRS 9 at 1 January 2018
			HK$'000	*HK$'000*	*HK$'000*	*HK$'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 subsequent at the end of each reporting period. Accordingly, for investment in equity security that was 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. APPLICATION OF NEW AND REVISED HKFRSs *(Continued)*

New and amended standards adopted by the Group *(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, deposits, amounts due from non-controlling shareholders, pledged bank deposits and cash and cash equivalents);
- contract assets as defined in HKFRS 15; and
- finance 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.

3.2 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.

3. APPLICATION OF NEW AND REVISED HKFRSs *(Continued)*

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

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

The Group is engaged in the following operations:–

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

(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 with 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. APPLICATION OF NEW AND REVISED HKFRSs *(Continued)*

New and amended standards adopted by the Group *(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	Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018
	HK$'000	*HK$'000*	*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

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 31 December 2018:–

Impact on the consolidated statement of financial position

At 31 December 2018	Amounts reported under HKFRS 15	Hypothetical amounts under HKAS 18 and 11	Differences
	HK$'000	*HK$'000*	*HK$'000*
Amounts due from customers of contract works	–	177,569	(177,569)
Contract assets	177,569	–	177,569
Amounts due to customers of contract works	–	46,810	(46,810)
Trade and other payables	322,486	343,628	(21,142)
Contract liabilities	67,952	–	67,952

4. REVENUE

Disaggregation of revenue from contracts with customers

	2018	2017
	HK$'000	*HK$'000*
Business application and services – over time	**132,041**	139,397
Data collection – over time	**13,776**	54,727
Development and sales of equipment – at a point in time	**15**	920
	145,832	195,044

5. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the Joint Liquidators, 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.

5. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

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

For the year ended 31 December 2018

	Business application and services *HK$'000*	Data collection *HK$'000*	Development and sales of equipment *HK$'000*	Total *HK$'000*
Revenue from external customers	**132,041**	**13,776**	**15**	**145,832**
Segment loss	**(94,898)**	**(103,854)**	**(22,657)**	**(221,409)**
Other income				**476**
Finance costs				**(142,563)**
Central administrative cost				**(42,372)**
Loss on deregistration of subsidiaries				**(2,955)**
Impairment loss of interests in associates				**(2,452)**
Gain on disposal of financial asset at FVTPL				**2,373**
Share of result of associates				**(854)**
Loss before taxation				**(409,756)**

For the year ended 31 December 2017

	Business application and services *HK$'000*	Data collection *HK$'000*	Development and sales of equipment *HK$'000*	Total *HK$'000*
Revenue from external customers	139,397	54,727	920	195,044
Segment loss	(417,979)	(90,228)	(12,645)	(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				(1,870)
Loss before taxation				(668,743)

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, share of result of associates, loss on disposal of a subsidiary/ an associate, loss on deregistration of subsidiaries, impairment loss of available-for-sale investment/ interests in associates, gain on disposal of financial asset at FVTPL and finance costs. This is the measure reported to the Joint Liquidators, 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 2018 and 2017.

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:–

	2018	2017
	HK$'000	*HK$'000*
Customer A[1]	—[2]	27,545
Customer B[1]	—[2]	20,370
Customer C[1]	**58,476**	—[2]

1 Revenue from business application and services segment.

2 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. **OTHER INCOME**

	2018	2017
	HK$'000	*HK$'000*
Bank interest income	**192**	459
Exchange gain, net	**16**	102
Government grants *(Note (i))*	**3**	2,036
Write-back of trade and other payables	**389**	–
Refund of consultancy fee	**–**	1,000
Sundry income	**62**	377
	662	3,974

Note:–

(i) Included in the amount of government grants recognised during the year ended 31 December 2018, approximately RMB2,000 (equivalent to approximately HK$3,000) (2017: RMB1,765,000 (equivalent to approximately HK$2,036,000)) were granted in respect of certain research projects and subsidy for finance costs from bank borrowings, which was immediately recognised as other income for the year as the Group has fulfilled the relevant granting criteria.

7. ALLOWANCE FOR EXPECTED CREDIT LOSSES/IMPAIRMENT LOSS AND OTHER GAIN AND LOSSES, NET

(a) Allowance for expected credit losses/impairment loss

	2018	2017
	HK$'000	*HK$'000*
Impairment loss on:–		
– trade receivables	–	5,933
– amounts due from customers of contract works	–	33,249
Allowance for ECL on:–		
– trade receivables *(Note 15)*	**447**	–
– other receivables *(Note 15)*	**3,089**	–
	3,536	39,182

(b) Other gain and losses, net

	2018	2017
	HK$'000	*HK$'000*
Reversal of loss on uncertainty in respect of collectability of amounts due from customers of contract works	–	(2,360)
Reversal of impairment loss of trade receivables	–	(213)
Impairment loss of available-for-sale investment	–	4,614
Loss on disposal of a subsidiary	–	18,913
Gain on disposal of financial asset at FVTPL	**(2,373)**	–
Loss on disposal of an associate	–	1,629
Write-off of property, plant and equipment	**239**	54
Write-off of other intangible assets	**10**	822
Write-off of trade and other receivables	**4**	–
Loss on deregistration of subsidiaries	**2,955**	–
	835	23,459

8. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on:–		
– Bank loans	**1,070**	2,297
– Unsecured loan from a non-controlling shareholder	**1,803**	3,560
– Other unsecured loan	**1,319**	–
	4,192	5,857
Imputed interest on Extended Convertible Note I *(Note 17)*	**132,724**	44,452
Imputed interest on Convertible Note II *(Note 17)*	**5,471**	8,651
Default interest on Convertible Note II *(Note 17)*	**176**	–
	138,371	53,103
Total	**142,563**	58,960

9. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:–

	2018	2017
	HK$'000	*HK$'000*
Staff costs (including directors' and chief executive's emoluments)		
– salaries and allowances	**45,007**	72,604
– retirement benefits scheme contributions (defined contribution plans)	**9,525**	11,352
	54,532	83,956
Amount of inventories recognised as an expense	**–**	644
Amortisation of other intangible assets	**7,422**	35,683
Depreciation of property, plant and equipment	**8,542**	9,075
Auditor's remuneration	**1,800**	1,380
Net loss on disposal of property, plant and equipment	**40**	100
Minimum lease payments under operating leases in respect of rented land and buildings and other intangible assets	**10,089**	13,308

10. INCOME TAX CREDIT

	2018	2017
	HK$'000	*HK$'000*
Current tax for the year		
– PRC Enterprise income tax ("**EIT**")	–	286
Deferred tax for the year		
– Current year	–	(11,912)
Income tax credit	–	(11,626)

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 2018 and 2017.

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

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of 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 2018 and 2017, 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.

** For identification purpose only*

10. INCOME TAX CREDIT *(Continued)*

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 former 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.

11. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

12. LOSS PER SHARE

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

Loss

	2018 ***HK$'000***	2017 *HK$'000*
Loss for the purpose of basic and diluted loss per share – loss for the year attributable to owners of the Company	**(353,263)**	(633,492)

Number of shares

	2018 **Number of Shares** ***'000***	2017 Number of Shares *'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**8,156,781**	8,156,781

For the years ended 31 December 2018 and 2017, the diluted loss per share is the same as the basic loss per share.

** For identification purpose only*

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

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

The computation of diluted loss per share for the years ended 31 December 2018 and 2017 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 2018 and 2017 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. **IMPAIRMENT LOSSES**

During the year ended 31 December 2018, the Group recognised impairment losses of goodwill of approximately HK$116,186,000 (2017: HK$285,807,000), other intangible assets of approximately HK$98,603,000 (2017: HK$89,453,000), property, plant and equipment of approximately HK$17,631,000 (2017: HK$1,872,000) and interests in associates of approximately HK$2,452,000 (2017: Nil) for the year ended 31 December 2018, in relation to the disposal of Jichang Group.

14. **AMOUNTS DUE FROM/(TO) CUSTOMERS OF CONTRACT WORKS/CONTRACT ASSETS/CONTRACT LIABILITIES**

Upon the adoption of HKFRS 15, amounts due from/to customers of contract works, for which the Group's entitlement to the consideration was conditional on achieving certain stage of completion, were reclassified to "contract assets" and "contract liabilities".

15. **TRADE AND OTHER RECEIVABLES**

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**89,569**	87,271
Less: allowance for ECL/accumulated impairment loss	**(18,160)**	(18,698)
	71,409	68,573
Prepayments and deposits	**15,118**	16,881
Amount due from non-controlling shareholders	**3,705**	119
	18,823	17,000
Other receivables	**93,274**	54,241
Less: allowance for ECL/accumulated impairment loss	**(7,371)**	(4,647)
	85,903	49,594
Total trade and other receivables	**176,135**	135,167

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

15. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group has a policy of allowing credit period to its customers, ranging from 90 to 180 days (2017: 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.

During the year ended 31 December 2018, allowance for ECL of trade receivables and other receivables are approximately HK$447,000 and HK$3,089,000, respectively.

During the year ended 31 December 2017, impairment loss on trade receivables and other receivables were approximately HK$5,933,000 and HK$33,249,000, respectively.

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

The following is an aged analysis of trade receivables as at 31 December 2017, net of allowance for impairment of trade receivables, presented based on invoice date, at the end of the reporting period.

	2017 *HK$'000*
Within 90 days	29,531
91 to 180 days	7,301
181 to 365 days	13,067
Over 365 days	18,674
	68,573

As at 31 December 2017, the aged analysis of trade receivables which are past due but not impaired is set out below:–

	2017 *HK$'000*
Neither past due nor impaired	42,922
Past due but not impaired	
Within 90 days	7,082
91 to 365 days	12,789
Over 365 days	5,780
	68,573

Trade receivables that were past due but not impaired as at 31 December 2017 relate to a wide range of customers. Based on past experiences, the management believes 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.

16. 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.

	2018	2017
	HK$'000	*HK$'000*
Trade payables aged		
Within 90 days	**22,369**	107,470
91 to 180 days	**17,092**	27,128
181 to 365 days	**33,980**	108,738
Over 365 days	**188,682**	60,932
	262,123	304,268
Receipt in advance	–	12,575
Other tax payables	**29,671**	30,308
Other payables and accruals	**30,692**	28,100
	322,486	375,251

The credit period granted by suppliers and sub-contractors is normally 90 to 180 days as at 31 December 2018 (2017: 90 to 180 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

17. CONVERTIBLE NOTES

	2018	2017
	HK$'000	*HK$'000*
Convertible Note I *(Note a)*		
Liability component	**560,580**	427,856
Equity component	–	139,915
	560,580	567,771
Convertible Note II *(Note b)*		
Liability component	**100,176**	94,529
Equity component	–	17,083
	100,176	111,612
Liability component:–		
Current portion	**660,756**	94,529
Non-current portion	–	427,856
	660,756	522,385
Equity component	–	156,998

17. CONVERTIBLE NOTES *(Continued)*

Notes:–

a. Convertible Note I was issued on 17 June 2010. On 17 June 2015, the maturity date of Convertible Note I was extended to 17 June 2020 ("**Extended Convertible Note I**"). The above amounts represent outstanding principal amount of approximately HK$560,580,000 (2017: HK$567,771,000) as at 31 December 2018.

b. Convertible Note II was issued on 2 August 2013 and 26 March 2014. The above amounts represent outstanding principal amount of HK$100,000,000 and accrued default interest amount of approximately HK$176,000, respectively, (2017: principal amount of HK$94,529,000) as at 31 December 2018.

   In the opinion of the Joint Liquidators, as at 31 December 2018, both Extended Convertible Note I and Convertible Note II are in default and the conversion options of these convertible notes are lapsed upon the date of Order and the appointment of Joint Provisional Liquidators.

18. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting date, on 8 April 2019, the Group disposed of the entire equity interest in a major operating wholly-owned subsidiary, namely Jichang Group to an independent third party.

Other than those disclosed in the consolidated financial statements, there are no other subsequent events up to the date of consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

APPOINTMENT OF THE JOINT LIQUIDATORS AND WINDING UP OF THE COMPANY

On 9 July 2018, Peace Map Holding Limited (In Liquidation) (the "**Company**") received a letter from Diamond Wealth Holdings Limited which stated that it had filed a winding up petition against the Company with the Supreme Court of Bermuda (the "**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 of Hong Kong Limited (the "**Stock Exchange**") has been suspended from 9:00 a.m. on 13 August 2018.

Delisting Status

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

Resumption Proposal of the Company

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

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

(i) demonstrate its compliance with Rule 13.24 of the Listing Rules;

(ii) have the winding up petitions against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged;

(iii) publish all outstanding financial results and address all audit modifications; and

(iv) inform the market of all material information for the Company's shareholders and other investors to appraise its positions.

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

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

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

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

FINANCIAL REVIEW

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

Overall Result

Based on the abovementioned basis and the books and records available to the Joint Liquidators, for the year ended 31 December 2018, the Group had recorded revenue of approximately HK$145.83 million (2017 : HK$195.04 million) and the Group's net loss was HK$409.76 million, representing a decrease in loss of about HK$247.36 million as compared to the Group's net loss of approximately HK$657.12 million in the corresponding year.

Liquidity and Financial Resources

As at 31 December 2018, cash and cash equivalent of the Group were HK$17.03 million (2017: HK$101.20 million).

As at 31 December 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 (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 31 December 2018, the Group had total assets of approximately HK$448.52 million (2017: HK$744.40 million). The net liabilities of the Group as at 31 December 2018 were approximately HK$682.18 million (2017: HK$288.79 million).

Capital Structure

During the year ended 31 December 2018, 9 ordinary shares of HK$0.01 each were issued at a price of HK$0.25 per share upon the exercise of share options granted on 9 October 2012. As at 31 December 2018, there were 8,156,781,100 ordinary shares in issue.

Charges on Group Assets

There is insufficient information available to the Company to ascertain whether there were any charged assets at a Group level as at 31 December 2018.

Significant Investments, and Acquisition

Based on the information available to the Joint Liquidators, the Group did not have any significant investments nor did it make any material acquisitions or disposal of subsidiaries and associates throughout the year ended 31 December 2018.

Contingent Liabilities

There is insufficient information available to the Company to ascertain whether the Group and the Company had any significant contingent liabilities as at 31 December 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$627.40 million against the Company.

Employees and Remuneration Policies

There is insufficient information available to the Company to ascertain the number of employees of the Group as at 31 December 2018. Total staff costs, including emoluments for the year amounted to approximately HK$54.53 million (2017:HK$83.96 million). The Joint Liquidators understand that the Group remuneration policies are primarily based on the prevailing market salary levels and the performance of the Group and of the individuals concerned. In addition to salary payments, other staff benefits include performance bonuses, education subsidies, provident funds, medical insurance and the use of share option schemes to recognise and acknowledge contribution made or potentially to be made to the business development of the Group to its employees prior to the liquidation of the Group.

Foreign Currency Exposure

Based on the information available to the Joint Liquidators, the Group and the Company did not use any foreign currency derivative product to hedge the exposure to currency risk for the year ended 31 December 2018.

PROSPECTS

On 1 February 2019, the Supreme Court of Bermuda 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.

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 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.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiary are investment holding and geographical information business in the PRC as at the date of the winding up of the Company.

CORPORATE GOVERNANCE PRACTICES

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

During the year ended 31 December 2018, based on the limited information available, the Company appears to comply with the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report stipulated by the Stock Exchange in Appendix 14 of the Listing Rules, except for the following:–

- The chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the presence of the executive directors, during the Reporting Period. The Joint Liquidators are unable to verify whether any meeting held during the Reporting Period.

- An issuer must include at least three independent non-executive directors, with at least one of the independent non-executive directors having appropriate professional qualifications or accounting or related financial management expertise, and the number of independent non-executive directors must represent at least one-third of the Board pursuant to the Listing Rules 3.10(1) and (2), and 3.10A. The Joint Liquidators are unable to verify whether they have with appropriate qualifications or accounting or related financial management expertise.

- An issuer must present the Environmental, Social and Governance Report (the "**ESG Report**") in its annual report pursuant to the Listing Rules 13.91. However, the Company is unable to present the required ESG Report in its annual report due to the limited information available to the Joint Liquidators in relation to the Reporting Period.

- Pursuant to the Listing Rules 3.21, an audit committee should comprise non-executive directors only. Subsequent to the winding up of the Company, the audit committee has not been maintained.

AUDIT COMMITTEE REVIEW

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

DIVIDENDS

No dividend is declared for the year ended 31 December 2018 (2017: Nil).

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

To the best knowledge of the Joint Liquidators, neither the Company nor the subsidiaries has purchased, sold, or redeemed any of the Company's shares during the year ended 31 December 2018.

SCOPE OF WORK OF MOORE STEPHENS 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 2018 as set out in the preliminary announcement of the Group have been agreed by the Group's auditor, Moore Stephens CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore Stephens 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore Stephens CPA Limited on this announcement.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The followings are extracted from the independent auditors report on the consolidated financial statements of the Group for the year ended 31 December 2018.

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for 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 and as to whether 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

1. Material uncertainties relating to going concern

As at 31 December 2018, the Company had two outstanding convertible notes, being Convertible Note I/Extended Convertible Note I and Convertible Note II, as defined in Note 32(a) and Note 32(b) respectively to the consolidated financial statements. The maturity date of the Extended Convertible Note I is 17 June 2020, with the outstanding principal amount recorded in the consolidated financial statements amounting to HK$560,580,400 as of 31 December 2018. The maturity date of the Convertible Note II was 2 August 2018, with the aggregate outstanding principal amount and accrued interest payable recorded in the consolidated financial statements amounting to HK$100,000,000 and approximately HK$176,000 as of 31 December 2018, respectively.

As of the date of this report, the outstanding principal amount and the accrued interest payable of Convertible Note II had not been settled.

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

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

On 10 August 2018, the Court ordered the Company be wound up ("**Order**") 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 were appointed as the Joint Provisional Liquidators ("**Joint Provisional Liquidators**") of the Company.

1. **Material uncertainties relating to going concern** *(Continued)*

On 1 February 2019, the Court granted an order to appoint the Joint Provisional Liquidators to be the Joint Liquidators. On 5 November 2019, a resumption proposal (the "**Resumption Proposal**") made by the Joint Liquidators had been submitted to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") seeking its approval for the resumption of trading in the shares of the Company. As represented by the Joint Liquidators, the Resumption Proposal includes proposal of entering into a conditional sale and purchase agreement with an independent third party regarding the acquisition of a company principally engaged in granite dimension stone mining and processing in Malaysia (the "**Possible Acquisition**"). In addition to the Possible Acquisition, the Resumption Proposal, represented by the Joint Liquidators, also includes, among other things, a capital reorganisation, a share offer including public offer and placing of new shares of the Company and a scheme of arrangement to be made between the Company and its convertible noteholders and other creditors.

As of the date of this report, the outstanding amount of the Extended Convertible Note I had not been settled.

As at the date of this report, the Resumption Proposal had not yet been approved by the relevant regulatory authorities.

In addition, we draw attention to Note 1(b) to the consolidated financial statements, which indicates that the Group reported a net loss attributable to the owners of the Company of approximately HK$353,263,000 during the year ended 31 December 2018. As at 31 December 2018, the Group had net current liabilities and net liabilities of approximately HK$754,480,000 and HK$682,177,000, respectively.

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

Notwithstanding the abovementioned, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon whether the abovementioned Resumption Proposal will be approved by the relevant regulatory authorities and whether the Resumption Proposal will be successfully implemented.

1. Material uncertainties relating to going concern *(Continued)*

Up to the date of this report, we were unable to obtain sufficient appropriate supporting bases from the Group for their underlying assumptions on going concern as set out in Note 1(b) to the consolidated financial statements to satisfy ourselves that they were reasonable and supportable. Hence, we were unable to assess the appropriateness or reasonableness of the use of the going concern assumption in the preparation of the consolidated financial statements.

Because of the significance of the matters above, we are unable to form an opinion as to whether the use of going concern assumption in the preparation of the consolidated financial statements is appropriate. Should the Group fail to achieve the intended effects of the Resumption Proposal, it might not be able to operate as a going concern, to settle its obligations and commitments and adjustments may have to be made to reflect the situation that assets may need to be realised at amounts other than those currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities.

2. Scope limitations concerning the completeness, accuracy, classification and measurement of assets, liabilities, revenue, cost of sales and expenses of Jichang Investments Limited and its subsidiaries as well as of the Group

On 8 April 2019, the Group disposed of the entire equity interest in a major operating wholly-owned subsidiary, namely Jichang Investments Limited and its subsidiaries ("**Jichang Group**") to an independent third party.

Given that (i) the Group has lost control over Jichang Group upon completion of the disposal and (ii) all key personnel of finance department, sales department and operation department who were responsible for the preparation and custodian of books and accounting records of Jichang Group had left the Group, we were unable to access complete books and accounting records of Jichang Group and we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves about whether any adjustments would be necessary in relation to assets, liabilities, revenue, income, cost of sales, and expenses of Jichang Group included in the consolidated financial statements.

2. **Scope limitations concerning the completeness, accuracy, classification and measurement of assets, liabilities, revenue, cost of sales and expenses of Jichang Investments Limited and its subsidiaries as well as of the Group** *(Continued)*

Below is some information about the results and financial position of Jichang Group for the years ended 31 December 2018 and 2017, and assets and liabilities of Jichang Group as at 31 December 2018 and 2017. The information was provided by the Group before elimination of intragroup assets and liabilities, equity, income, cost of sales and expenses relating to transactions between Jichang Group and other group entities.

	2018	2017
	HK$'000	*HK$'000*
Revenue	**145,832**	194,756
Cost of sales	**(111,283)**	(255,763)
Loss for the year	**(258,533)**	(582,176)
Total assets	**449,133**	734,019
Total liabilities	**(744,076)**	(786,801)

In addition, Joint Liquidators could not ensure whether the books and accounting records of the Group had been properly prepared and maintained. With such circumstances, we were also unable to obtain sufficient appropriate audit evidence to satisfy ourselves about whether any adjustments would be necessary in relation to assets, liabilities, results, changes in equity and cash flows of the Group.

In particular, we were unable to obtain sufficient appropriate audit evidence about:–

- measurement, existence and classification of the Group's assets included in the consolidated statement of financial position at a total amount of approximately HK$448,521,000 as at 31 December 2018 and approximately HK$744,395,000 as at 31 December 2017.

- presentation, measurement, classification and completeness of the Group's liabilities (including the classification and measurement of the convertible notes issued by the Company) included in the consolidated statement of financial position at a total amount of approximately HK$1,130,698,000 as at 31 December 2018 and approximately HK$1,033,189,000 as at 31 December 2017.

2. Scope limitations concerning the completeness, accuracy, classification and measurement of assets, liabilities, revenue, cost of sales and expenses of Jichang Investments Limited and its subsidiaries as well as of the Group *(Continued)*

- appropriateness of the application of Hong Kong Financial Reporting Standard ("**HKFRS**") 15 "Revenue from Contracts with Customers" and HKFRS 9 "Financial Instruments" which had become mandatorily effective from 1 January 2018. Specifically, we were unable to carry out satisfactory audit procedures to obtain reasonable assurance regarding classification and measurement of contract assets of approximately HK$217,677,000, contract liabilities of approximately HK$15,390,000, trade and other receivables of approximately HK$135,167,000 and finance lease receivables of approximately HK$2,161,000 as at 1 January 2018 and contract assets of approximately HK$177,569,000, contract liabilities of approximately HK$67,952,000, trade and other receivables of approximately HK$176,135,000 and finance lease receivables of approximately HK$2,049,000 as at 31 December 2018.

- completeness and accuracy in respect of the disclosures made in Notes 24, 25 and 26 to the consolidated financial statements concerning information about the expected credit losses as at 1 January 2018 and 31 December 2018 as required by HKFRS 7 "Financial Instruments: Disclosure".

- accuracy, presentation, occurrence and completeness of the Group's revenue of approximately HK$145,832,000, cost of sales of approximately HK$111,283,000 and total expenses and other losses of approximately HK$447,340,000 for the year ended 31 December 2018.

- recognition, measurement and disclosure of contingencies, commitments and provision for onerous contracts as at 31 December 2018 and 2017.

Furthermore, as mentioned in Note 4 to the consolidated financial statements, the Joint Liquidators carried out assessment of impairment of Jichang Group as at the reporting date. The impairment assessment was performed by the Joint Liquidators by comparing the carrying amount and the recoverable amount of Jichang Group, which was determined based on the cash consideration for the disposal of Jichang Group of HK$10,000,000 which took place in April 2019. The Group recognised impairment losses on goodwill of approximately HK$116,186,000, other intangible assets of approximately HK$98,603,000, property, plant and equipment of approximately HK$17,631,000 and other assets of approximately HK$2,452,000 for the year ended 31 December 2018.

2. Scope limitations concerning the completeness, accuracy, classification and measurement of assets, liabilities, revenue, cost of sales and expenses of Jichang Investments Limited and its subsidiaries as well as of the Group *(Continued)*

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the consideration for the disposal represented the fair value of the Jichang Group as at 31 December 2018. In addition, in the absence of complete books and accounting records of Jichang Group being provided to us, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves about (i) the accuracy of the amount of the impairment loss being recognised, (ii) the appropriateness and accuracy of the allocation of impairment loss to the related assets and of the allocation of impairment loss between owners of the Company and the non-controlling interests, and (iii) how much of the impairment losses recognised in the consolidated financial statements for the year ended 31 December 2018 should be recognised in financial years prior to the year ended 31 December 2018.

Any adjustments found to be necessary in respect of the abovementioned matters might have significant consequential effects on the results, changes in equity and cash flows of the Group for the years ended 31 December 2018 and 2017, the assets, liabilities and net liabilities of the Group and the Company as at 31 December 2018 and 2017 and the disclosures presented in the consolidated financial statements.

3. Scope limitations concerning certain of the Group's bank balances

Bank confirmations in respect of certain bank balances of the Group as of 31 December 2018 and 2017 could not be arranged by the Joint Liquidators due to the fact that the authorised persons of the respective subsidiaries were unreachable. The relevant cash and cash equivalent balances involved were approximately HK$1,285,000 and HK$32,374,000 as of 31 December 2018 and 2017 respectively, out of which, approximately HK$503,000 and HK$23,556,000 were contributed from Jichang Group as of 31 December 2018 and 2017 respectively. We were also unable to carry out other satisfactory audit procedures to obtain reasonable assurance regarding the completeness, accuracy and existence of such bank balances as of 31 December 2018 and 2017.

Bank confirmations relating to certain of the Group's bank balances as of 31 December 2018 and 2017 have not been received up to the date of this report. The relevant pledged bank deposits involved were approximately HK$13,000 and HK$165,000 as of 31 December 2018 and 2017 respectively and cash and cash equivalent balances involved were approximately HK$15,674,000 and HK$68,642,000 as of 31 December 2018 and 2017. All of the pledged bank deposits involved were contributed by Jichang Group as of 31 December 2018 and 2017. Out of the cash and cash equivalents involved, approximately HK$15,674,000 and HK$68,642,000 were contributed by Jichang Group as of 31 December 2018 and 2017.

3. Scope limitations concerning certain of the Group's bank balances *(Continued)*

Because of the significance of the matters above, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves about the completeness, existence, accuracy, disclosures of the Group's bank balances as at 31 December 2018 and 2017 included in the consolidated financial statements as well as about the completeness, measurement and disclosures of any obligations, commitments and contingencies as at 31 December 2018 and 2017.

Hence, any adjustments found to be necessary in respect of these matters may have significant consequential effects on the Group's financial position as at 31 December 2018 and 2017, results, changes in equity and cash flows for the years ended 31 December 2018 and 2017 and related disclosures in the notes to the consolidated financial statements of the Group for the years ended 31 December 2018 and 2017.

4. Scope limitations concerning convertible notes issued by the Company

We were not provided with the full set of agreements relating to the convertible notes, being Convertible Note I/Extended Convertible Note I and Convertible Note II issued by the Company.

As mentioned above, given that the Court ordered the Company be wound up under the provisions of section 161(e) of the Bermuda Companies Act 1981 on 10 August 2018 and in the absence of full set of convertible notes agreements being provided to us, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves about (i) whether there were any breach of loan covenants of any of the convertible notes issued by the Company as at 31 December 2017 and hence being considered as "default" as at 31 December 2017, (ii) whether any adjustments would be necessary to the presentation, classification and measurement of Extended Convertible Note I and Convertible Note II as at 31 December 2018 and 2017 and (iii) whether adequate interest, default interest and penalties have been provided for in the consolidated financial statements for the years ended 31 December 2018 and 2017.

Hence, any adjustments found to be necessary in respect of these matters may have significant consequential effects on the Group's financial position as at 31 December 2018 and 2017, results, changes in equity and cash flows for the years ended 31 December 2018 and 2017 and related disclosures in the notes to the consolidated financial statements of the Group for the years ended 31 December 2018 and 2017.

5. Scope limitations concerning the opening balances and corresponding figures

The consolidated financial statements for the year ended 31 December 2017 were audited by another auditor (the "**Predecessor Auditor**"), whose report was dated 29 March 2018. The Predecessor Auditor expressed a disclaimer of opinion on those consolidated financial statements because of the matters relating to the Group's ability to continue as a going concern.

In addition, as disclosed in Note 1(b) to the consolidated financial statements, the Joint Liquidators could not ensure whether the books and accounting records of the Group were properly prepared and maintained for the year ended 31 December 2018 and 2017. Also, we were unable to obtain written representation from the Joint Liquidators that the books and accounting records were properly maintained in respect of the years ended 31 December 2018 and 2017. This has called into question the reliability of the financial and other information and documents provided by the Joint Liquidators and undermined our ability to rely on the Group's system of internal control to safeguard the genuineness of accounting records and documentation. Given these circumstances, there were no practicable audit procedures that we could perform to satisfy ourselves that the information and documents presented to us for the purpose of our audit are complete and accurate in all material respects, nor to quantify the extent of adjustments that might be necessary in respect of the Group's financial statements for the year ended 31 December 2018, including the comparative figures for the prior year and opening balances.

Further, the closing balances as at 31 December 2017 of the assets and liabilities of the Group entered into the determination of the financial performance and cash flows of the Group for the current financial year ended 31 December 2018 and may have carry forward effects on the closing balances of assets and liabilities of the Group as at 31 December 2018. Hence, any adjustments found to be necessary to the closing balances as at 31 December 2017 may have a significant consequential effect on the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2018 and/or the net liabilities of the Group as at 31 December 2018.

OTHER MATTER

The consolidated financial statements of the Company for the year ended 31 December 2017 were audited by another auditor (the "**Predecessor Auditor**"), whose report dated 29 March 2018 expressed a disclaimer of opinion on those consolidated financial statements. The matters which led the Predecessor Auditor to disclaim their opinion are in relation to the matters described in Material Uncertainties Related to Going Concern section of their report. Details are disclosed in the auditor's report issued by the Predecessor Auditor dated 29 March 2018.

PUBLICATION OF RESULT ANNOUNCEMENT AND REPORT

This result announcement is available for viewing on the website of HKSE at https://www.hkexnews.hk. The 2018 consolidated annual 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.

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.