

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Crown International Corporation Limited
皇冠環球集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 727)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

The board of directors (the “**Board**”) of Crown International Corporation Limited (the “**Company**” and the “**Directors**”, respectively) is pleased to announce the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2015 (the “**Period**”) together with the relevant comparative figures.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)**

For the six months ended 30 September 2015

		Unaudited	
		Six months ended 30 September	
		2015	2014
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	4	1,800	1,812
Other gains, net	6	3,478	69,515
Staff costs		(3,785)	(4,240)
Depreciation and amortization		(670)	(370)
Other operating expenses, net		(9,476)	(10,973)
Operating (loss)/profit	5	(8,653)	55,744
Finance income		726	322
Finance costs		(6,250)	(957)
Other non-operating income	7	18,806	138,125
Profit before taxation		4,629	193,234
Taxation charge	8	–	(3,073)
Profit for the period		4,629	190,161

		Unaudited	
		Six months ended 30 September	
		2015	2014
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive loss:			
Items that may be reclassified to profit or loss			
	Currency translation differences	<u>(64,255)</u>	<u>(11,939)</u>
Other comprehensive loss for the period,			
	net of tax	<u>(64,255)</u>	<u>(11,939)</u>
Total comprehensive (loss)/income			
	for the period	<u>(59,626)</u>	<u>178,222</u>
Profit for the period attributable to:			
	– Owners of the Company	4,629	190,434
	– Non-controlling interest	<u>–</u>	<u>(273)</u>
		<u>4,629</u>	<u>190,161</u>
Total comprehensive (loss)/income			
	for the period attributable to:		
	– Owners of the Company	(59,626)	178,495
	– Non-controlling interest	<u>–</u>	<u>(273)</u>
		<u>(59,626)</u>	<u>178,222</u>
Earning per share attributable to equity			
holders of the Company for the period			
(expressed in HK cent per share)			
	– basic	9 <u>0.18 cent</u>	<u>11.15 cents</u>
	– diluted	9 <u>0.18 cent</u>	<u>11.15 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2015

		(Unaudited) 30 September 2015 <i>HK\$'000</i>	(Audited) 31 March 2015 <i>HK\$'000</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	<i>10</i>	6,659	6,781
Goodwill		65,240	65,240
Investment property	<i>11</i>	1,616,130	1,672,411
Available-for-sale financial assets		1,128	1,128
		1,689,157	1,745,560
Current assets			
Other receivables, prepayments and deposits	<i>12</i>	16,718	620,237
Bank balances and cash		602,150	34,630
		618,868	654,867
LIABILITIES			
Current liabilities			
Other payables and accruals	<i>13</i>	33,850	36,258
Income tax payable		–	2,807
Borrowing	<i>14</i>	–	500,753
		33,850	539,818
Net current assets		585,018	115,049
Total assets less current liabilities		2,274,175	1,860,609
Non-current liabilities			
Other payables and accruals	<i>13</i>	744,975	763,348
Deferred tax assets and liabilities	<i>15</i>	315,726	331,164
Borrowing	<i>14</i>	507,003	–
		1,567,704	1,094,512
Net assets		706,471	766,097
EQUITY			
Capital and reserves			
Share capital	<i>16</i>	971,402	971,402
Other reserves		(264,931)	(205,305)
Total equity		706,471	766,097

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. General information

The principal activities of the Company and its subsidiaries are (i) hotel investment and operations and (ii) property investment.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is Suite 902, 9th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The Company has its shares listed and traded on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Directors consider the immediate holding company to be Crown Landmark Corporation (“**CLC**” or the “**Crown Group**”), incorporated in the Cayman Islands and its ultimate holding company to be Redstone Capital Corporation, incorporated in the Samoa.

2. Basis of preparation and accounting policies

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). These condensed consolidated financial statements are unaudited but have been reviewed by the Company’s audit committee.

The basis of preparation and accounting policies adopted in preparing these condensed consolidated financial statements are consistent with those adopted in the preparation of the Group’s annual financial statements for the year ended 31 March 2015.

2. Basis of preparation and accounting policies (Continued)

The financial information relating to the financial year ended 31 March 2015 included in this interim financial statement as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) (the "**Companies Ordinance**") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 March 2015 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to the Companies Ordinance.

The Company's independent auditor has reported on those consolidated financial statements. The independent auditor's report was unqualified; did not include a reference to any matters to which the independent auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance (or under their equivalent requirements found in section 141 of the predecessor Companies Ordinance (Cap. 32)).

In addition, the requirements of Part 9 "Accounts and Audit" of the Companies Ordinance came into operation during the Period. As a result, there are changes to the presentation and disclosures of certain information in the condensed consolidated financial statements.

In the current Period, the Group has applied, for the first time, the new and revised standards, amendments and interpretations ("**new and revised HKFRSs**") issued by HKICPA which are effective for the Group's financial year beginning on 1 April 2015. The adoption of the new and revised HKFRSs had no material effect on the condensed consolidated financial statements of the Group for the current accounting periods.

The Group has not early applied the new and revised HKFRSs relevant to the Group's financial statements, that have been issued but not yet effective in the period covered by these interim financial statements.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have any significant impact on its results of operations and financial position.

3. Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2015.

4. Turnover and segment information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker, namely the executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are principally engaged in (i) hotel investment and operations and (ii) property investment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit which is subject to risks and returns that are different from those of other business segments. Summarized details of the business segments are as follows:

- (a) the hotel investment and operations segment is engaged in hotel investment and rental and food & beverage business;
- (b) the property investment segment is investment in properties; and
- (c) the unallocated segment comprises operations other than those specified in (a) and (b) above and includes that of the corporate office.

4. Turnover and segment information (Continued)

The segment results, depreciation and amortization, and capital expenditures based on reportable segment for the six months ended 30 September 2015 and 2014 are as follows:

	Property investment <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Total for reportable segments <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	The Group <i>HK\$'000</i>
Six months ended 30 September 2015					
Segment revenue:					
Sales to external customers	<u>1,800</u>	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Segment results	1,356	(774)	582	9,571	10,153
Finance income	-	-	-	726	726
Finance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,250)</u>	<u>(6,250)</u>
Profit before taxation	1,356	(774)	582	4,047	4,629
Taxation charge	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>1,356</u>	<u>(774)</u>	<u>582</u>	<u>4,047</u>	<u>4,629</u>
Other segment information					
Depreciation and amortization	(102)	(6)	(108)	(562)	(670)
Additions to					
– Property, plant and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,241</u>	<u>1,241</u>

4. Turnover and segment information (Continued)

	Property investment <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Total for reportable segments <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	The Group <i>HK\$'000</i>
Six months ended 30 September 2014					
Segment revenue:					
Sales to external customers	<u>1,812</u>	<u>–</u>	<u>1,812</u>	<u>–</u>	<u>1,812</u>
Segment results	1,993	57,202	59,195	134,674	193,869
Finance income	1	218	219	103	322
Finance costs	<u>(51)</u>	<u>(377)</u>	<u>(428)</u>	<u>(529)</u>	<u>(957)</u>
Profit before taxation	1,943	57,043	58,986	134,248	193,234
Taxation charge	<u>–</u>	<u>(3,073)</u>	<u>(3,073)</u>	<u>–</u>	<u>(3,073)</u>
Profit for the period	<u>1,943</u>	<u>53,970</u>	<u>55,913</u>	<u>134,248</u>	<u>190,161</u>
Other segment information					
Depreciation and amortization	(86)	(149)	(235)	(135)	(370)
Additions to					
– Property, plant and equipment	<u>3,154</u>	<u>–</u>	<u>3,154</u>	<u>5,164</u>	<u>8,318</u>

5. Operating (loss)/profit

	Six months ended	
	30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating (loss)/profit is arrived at after charging/(crediting):		
Auditors' remuneration	640	784
Depreciation and amortization	670	370
Exchange gain on disposal and deregistration of foreign subsidiaries	–	(13,884)
Loss/(gain) on disposal of property, plant and equipment	300	(51)
Gain on disposal of subsidiaries	–	(55,114)
Legal, professional and consultancy fee	726	1,986
Net exchange loss/(gain)	3	(53)
Office rental	4,933	1,109
	<u>4,933</u>	<u>1,109</u>

6. Other gains, net

	Six months ended	
	30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Exchange gain on disposal and deregistration of foreign subsidiaries	–	13,884
Gain on disposal of property, plant and equipment	–	51
Gain on disposal of subsidiaries	–	55,114
Written back of other payables	671	–
Written back of tax payable	2,807	–
Others	–	466
	<u>3,478</u>	<u>69,515</u>

7. Other non-operating income

	Six months ended	
	30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Waiver of part of the amount due to VXL Capital Partners Corporation Limited	–	138,125
Other	<u>18,806</u>	<u>–</u>
	<u>18,806</u>	<u>138,125</u>

8. Taxation charge

No provision for Hong Kong profits tax (six months ended 30 September 2014: Nil) has been made for the Period as the Group has no assessable profit for the period. Taxation on the People's Republic of China (the "PRC") profits has been calculated on the estimated assessable profit for the period at the rates of taxation in the PRC.

The amount of taxation charged to the condensed consolidated statement of comprehensive income represents:

	Six months ended	
	30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – PRC	–	3,073
Deferred taxation	<u>–</u>	<u>–</u>
	<u>–</u>	<u>3,073</u>

9. Basic and diluted profit per ordinary share for profit attributable to equity holders of the company

- (a) Basic profit per ordinary share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the Period.

	Six months ended	
	30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period attributable to owner of the Company, HK\$'000	4,629	190,434
Weighted average number of ordinary shares in issue	2,600,000,000	1,708,031,573
Basic profit per ordinary share, HK cents	<u>0.18</u>	<u>11.15</u>

- (b) The calculation of diluted profit per ordinary share is based on the profit for the period attributable to equity holders of the Company and the weighted average number of ordinary shares used, which is the same for calculating basic profit per share above, as the Company did not have any dilutive potential ordinary shares arising from share options for the six months ended 30 September 2015 and 2014.

10. Property, plant and equipment and land use rights

	Property, plant and equipment <i>HK\$'000</i>	Land use rights <i>HK\$'000</i>
Opening net book value as at 1 April 2015	6,781	–
Additions	1,241	–
Disposals	(560)	–
Depreciation and amortization	(670)	–
Exchange difference	(133)	–
	<hr/>	<hr/>
Closing net book value as at 30 September 2015	<u>6,659</u>	<u>–</u>
Opening net book value as at 1 April 2014	93,040	5,345
Additions	8,318	–
Disposals	(710)	–
Depreciation and amortization	(293)	(77)
Exchange difference	88	18
	<hr/>	<hr/>
Closing net book value as at 30 September 2014	<u>100,443</u>	<u>5,286</u>

11. Investment property

	Six months ended	
	30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April	1,672,411	98,348
Exchange difference	(56,281)	75
	<hr/>	<hr/>
At 30 September	<u>1,616,130</u>	<u>98,423</u>

11. Investment property (Continued)

The fair value measurement information for the investment property in accordance with HKFRS 13 as at 31 March 2015 is set out below.

	Fair value measurements		
	Quoted prices in active markets for identical assets (Level 1) <i>HK\$'000</i>	Significant other observable inputs (Level 2) <i>HK\$'000</i>	Significant unobservable Inputs (Level 3) <i>HK\$'000</i>
At 30 September 2015	<u><u>–</u></u>	<u><u>1,616,130</u></u>	<u><u>–</u></u>
At 31 March 2015	<u><u>–</u></u>	<u><u>1,672,411</u></u>	<u><u>–</u></u>

There were no transfers among Levels 1, 2 and 3 during the Period.

Level 2 fair values of completed investment properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the price per square foot.

There were no changes in valuation techniques during the Period.

12. Other receivables, prepayments and deposits

	(Unaudited) 30 September 2015 <i>HK\$'000</i>	(Audited) 31 March 2015 <i>HK\$'000</i>
Other receivables	–	618,200
Prepayments and deposits	<u>16,718</u>	<u>2,037</u>
	<u>16,718</u>	<u>620,237</u>

13. Other payables and accruals

	(Unaudited) 30 September 2015 <i>HK\$'000</i>	(Audited) 31 March 2015 <i>HK\$'000</i>
Non-current		
Consideration payable		
– non-current portion	571,089	582,991
Other payables	<u>173,886</u>	<u>180,357</u>
	<u>744,975</u>	<u>763,348</u>
Current		
Property acquisition cost payable	–	1,106
Commission payable in respect of disposals of hotel properties	5,492	5,492
Consideration payable		
– current portion	12,200	12,200
Deposits received for disposal of equity interest in subsidiaries	7,240	7,480
Other payables	<u>8,918</u>	<u>9,980</u>
	<u>33,850</u>	<u>36,258</u>
	<u>778,825</u>	<u>799,606</u>

14. Borrowing

	(Unaudited)	(Audited)
	30 September	31 March
	2015	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current		
Note payable (<i>Note a</i>)	—	500,753
	—	500,753
Non-current		
Note payable (<i>Note a</i>)	507,003	—
	507,003	—
Total borrowing	507,003	500,753

Note a:

The note payable with an aggregated principle amount of HK\$500,000,000, bears interest at 2.5% per annum with 1-year maturity period repayable on 10 March 2016. On 22 April 2015, the Company and the note holder agreed to extend the maturity date to 10 March 2018.

15. Deferred tax assets and liabilities

	(Unaudited)	(Audited)
	30 September	31 March
	2015	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Deferred tax assets	2	2
Deferred tax liabilities	(315,728)	(331,166)
	(315,726)	(331,164)

16. Share capital

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares, issued and fully paid:		
At 1 April 2015	2,600,000,000	971,042
At 30 September 2015	<u>2,600,000,000</u>	<u>971,042</u>

17. Operating lease commitment

(i) *Operating lease commitments – where the Group is the lessor*

At 30 September 2015 and 31 March 2015, the Group had contracted with tenants for the following minimum lease receivables:

	(Unaudited) 30 September 2015 <i>HK\$'000</i>	(Audited) 31 March 2015 <i>HK\$'000</i>
Not later than 1 year	3,636	3,636
Later than 1 year and not later than 5 years	15,301	15,301
Over five years	<u>5,196</u>	<u>6,996</u>
	<u>24,133</u>	<u>25,933</u>

Operating lease receivables represent future aggregate minimum lease receipts by the Group from non-cancellable operating leases of its investment property. Typically, leases are negotiated and rentals are fixed for lease term of nine to ten years.

17. Operating lease commitment (Continued)

(ii) Operating lease commitments – where the Group is the lessee

At 30 September 2015 and 31 March 2015, the Group had commitments under non-cancellable operating leases in respect of rented premises, which fall due as follows:

	(Unaudited) 30 September 2015 <i>HK\$'000</i>	(Audited) 31 March 2015 <i>HK\$'000</i>
Not later than 1 year	6,025	7,987
Later than 1 year and not later than 5 years	<u>8,056</u>	<u>3,652</u>
	<u><u>14,081</u></u>	<u><u>11,639</u></u>

18. Capital commitments

As at 30 September 2015, the Group had no capital commitment (31 March 2015: approximately HK\$0.6 million)

19. Events after the reporting period

- (a) On 7 October 2015, the Company entered into a share subscription agreement (the “**Share Subscription Agreement**”) with Rich Bay Global Limited, a company incorporated in the British Virgin Islands with limited liability (the “**Subscriber**”), pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 260,000,000 new ordinary shares in the issued share capital of the Company (the “**Subscription Shares**”) at HK\$1.30 per Subscription Share to be allotted and issued to the Subscriber on the day of completion (the “**Subscription**”) pursuant to the Share Subscription Agreement.

19. Events after the reporting period (Continued)

(a) (Continued)

The consideration of the Subscription pursuant to the terms of the Share Subscription Agreement shall be settled by setting off against the principal amount of HK\$338,000,000 of the promissory note dated 10 March 2015 issued by the Company to the Subscriber in the principal amount of HK\$500,000,000 with interest at 2.5% per annum due on the third anniversary date of the date of issue (the “**Promissory Note**”).

The Company and the Subscriber agreed that immediately after the completion of the Subscription, the remaining principal amount of HK\$162,000,000 of the Promissory Note and the accrued interest thereof as of the date of the Share Subscription Agreement in the sum of HK\$7,260,274 shall be payable in cash by the Company to the Subscriber and the Promissory Note would be fully redeemed.

For further information, please refer to the Company’s announcement dated 7 October 2015.

The Subscription was completed and the Promissory Note was fully redeemed by the Company in November 2015.

(b) On 2 November 2015, the Company, Wuhan DeBang Investment Company Limited* (武漢德邦投資有限公司), Mr. Hu Desheng and Mr. Hu Shuisheng, entered into a memorandum of understanding in relation to a potential acquisition of the entire equity interest in Inner Mongolia ZhongYe DeBang Property Company Limited* (內蒙古中冶德邦置業有限公司).

For further information, please refer to the Company’s announcement dated 2 November 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the businesses of hotel investment and operations and property investment.

During the previous financial year ended 31 March 2015 (“**FY 2015**”), the Company successfully introduced a new controlling shareholder, CLC, expanded the shareholding structure and secured new financing and new development projects. These moves have provided new impetus for the Group’s operations and financial position and have laid a healthier and stronger groundwork for the Group’s development, thus gearing up the Group for the rapidly-changing economic environment of and the market opportunities arisen in the Greater China region.

In view of the unsatisfactory financial performance of the Group for the past financial years prior to FY 2015, during which the Group had been loss-making continuously since financial year 2008, the management of the Group (the “**Management**”) had continued to review its existing businesses from time to time and strived to improve the business operation and financial position of the Group. Following several years of business restructuring, the Group has gotten out of the difficult conditions. As the new Management brought in new ideas, the Group had strengthened the existing operation strategies from various aspects. For instance, the Group restructured and improved its asset portfolio based on a management philosophy which focuses on the internal review and careful assessment of the external environment by allocating resources appropriately and phasing out non-performing assets, with an effort to maintain its strength. As a result of the effort of the review and the restructuring, the Group recorded a profit for FY 2015 as compared to the loss for the previous financial years and continued to record a profit for the Period.

It has been the business strategy of the Group to proactively seek potential investment opportunities that could enhance its value to the shareholders of the Company (the “**Shareholders**”). The Directors consider that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing investment portfolio and to broaden its source of income.

Completion of very substantial acquisition

On 31 October 2014, the Group through Crown International Resort Limited (as purchaser, “**Crown Resort**”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “**SP Agreement**”) with Sino Oasis Oversea Limited (as vendor, “**Sino Oasis**”). Pursuant to the SP Agreement, Crown Resort agreed to acquire and Sino Oasis agreed to sell the entire equity interest in 中山市華聯實業開發有限公司 (Zhongshan Hualian Industrial Development Co., Ltd*) which owns a residential and commercial complex (the “**Property**”) located at No. 69, Zhongshan Third Road, Eastern District, Zhongshan City, the PRC, which comprises 2 blocks of 28-storey residential buildings built over a 4-level retail podium and a 2-level basement, erected on a parcel of land with a registered site area of approximately 10,533 square meters (the “**Acquisition**”). The Acquisition was completed in June 2015.

The Directors were of the opinion that the Acquisition would provide promising prospects for the Group as the Property is located in Zhongshan City, one of the major business hubs in southern China. With the well-developed traffic network and infrastructure, the rental of commercial and residential space in Zhongshan City has been growing continuously. Please refer to the Company’s announcements dated 7 November 2014, 31 December 2014, 22 January 2015, 31 March 2015 and 29 May 2015 and circular dated 3 February 2015 for details of the Acquisition.

Potential acquisition

On 2 November 2015, the Company, Wuhan DeBang Investment Company Limited* (武漢德邦投資有限公司), Mr. Hu Desheng and Mr. Hu Shuisheng, entered into a memorandum of understanding in relation to a potential acquisition of the entire equity interest in Inner Mongolia ZhongYe DeBang Property Company Limited* (內蒙古中冶德邦置業有限公司).

For further information, please refer to the Company’s announcement dated 2 November 2015.

FINANCE REVIEW

Turnover

The Group recorded a turnover for the Period in the amount of approximately HK\$1.80 million (six months ended 30 September 2014: approximately HK\$1.81 million). Such turnover strictly comprised of rental income, which is contributed by the Group's leasing operations located in Yingkou, the PRC.

Other gains, net

Net other gains for the Period decreased by approximately HK\$66.04 million (six months ended 30 September 2014: approximately HK\$69.52 million), which was primarily attributable to gain on disposal of subsidiaries of approximately HK\$55.11 million as compared to the corresponding period in 2014, which was not applicable for the Period.

Staff costs

Staff costs for the Period decreased by approximately HK\$0.46 million (six months ended 30 September 2014: approximately HK\$4.24 million), which was primarily attributable to cost control measures undertaken by the Management coupled with a decrease in operating activities in line with the Group's re-positioning of its strategies.

Other operating expenses

Other operating expenses decreased by approximately 13.58 % from approximately HK\$10.97 million for the six months ended 30 September 2014 to approximately HK\$9.48 million for the Period, primarily as a result of the cost saving measures which were implemented in several stages during the Period. The Management will continue to implement measures to control and reduce these expenses.

Finance costs

Finance costs for the Period increased by approximately HK\$5.29 million (six months ended 30 September 2014: approximately HK\$0.96 million), which was primarily attributable to interest expense recognised for the Promissory Note issued by the Company in March 2015.

Other non-operating income

Other non-operating income for the Period decreased by approximately HK\$119.32 million to HK\$18.81 million (six months ended 30 September 2014: approximately HK\$138.13 million), which was primarily attributable to the gain on waiver of part of the amount due to former ultimate holding company of the Company of approximately HK\$138.13 million as compared to the corresponding period in 2014, which was not applicable for the Period.

Profit attributable to Owners of the Company

Profit attributable to Owners of the Company for the Period was approximately HK\$4.63 million, representing a decrease of approximately 97.57% from approximately HK\$190.43 million for the corresponding period of last year.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group financed its operations through internally generated cash flows and borrowing. As at 30 September 2015, the Group did not have any banking facilities. The gearing ratio of the Group, is computed by total liabilities divided by total assets, was approximately 69.4% as at 30 September 2015 (31 March 2015: approximately 68.08%).

As at 30 September 2015, the Group had net current assets of approximately HK\$585.02 million (31 March 2015: approximately HK\$115.05 million). Current ratio as at 30 September 2015 was approximately 18.28 (31 March 2015: approximately 1.21). The bank balance and cash of the Group as at 30 September 2015 was approximately HK\$602.15 million (31 March 2015: approximately HK\$34.63 million).

As at 30 September 2015, the Company has outstanding Promissory Note with principal amount of HK\$500 million. The Promissory Note bears interest at 2.5% per annum with 1-year maturity period repayable on 10 March 2016. On 22 April 2015, the Company and the note holder agreed to extend the maturity date to 10 March 2018.

FOREIGN CURRENCY RISK

The Group's operation are mainly transacted in Renminbi and the books are recorded in Hong Kong dollars. Since the exchange rate fluctuation between Hong Kong dollar and Renminbi is relatively small, the foreign exchange risk is very low and no hedging strategy has been adopted.

MATERIAL ACQUISITION AND DISPOSAL

There was no material acquisition and disposal of subsidiaries and associated companies by the Group during the Period.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 September 2015, the Group had a total of 21 employees (31 March 2015: 27 employees), including executive Directors. The Group's remuneration policy and packages for the executive Directors and senior Management are determined by the remuneration, quality and nomination committee of the Company (the "RQNC") while those for other employees are reviewed and approved by the chief executive officer (the "CEO"). The Group remunerates its employees based on industry practice and the performance of each individual. The Group also offers discretionary bonuses, medical insurance and defined contribution retirement plans, and provides a share option scheme for its employees and executive Directors.

CONTINGENT LIABILITIES

As at 30 September 2015, the Group did not have any significant contingent liabilities (31 March 2015: Nil).

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (six months ended 30 September 2014: Nil).

PROSPECTS

The completion of the Acquisition marked a milestone to the Group's business. The Management is of the opinion that the Acquisition would provide promising prospects for the Group.

The Management will continue to review its existing businesses from time to time and strive to improve the business operation and financial position of the Group. The Management intends to continue the prevailing overall scope of business of the Group (i.e. including hotel investment, hotel operations and property investment) in the coming future.

Looking into the second half of the current financial year, the Management will continue to proactively seek potential investment opportunities by conducting a review of the real estate market development including hotel and property investments, not limited to regions in the Greater China, Southeast Asia and the western countries. The Management is of the view that there are greater potential investment opportunities for real estate market development in the aforesaid regions as compared to that of other countries worldwide and therefore would like to continually seek suitable investment opportunities for real estate development including hotel and property investments in those regions. The Management believes that this should help create greater value for the Group and generate better return to the Shareholders in the future.

OTHER INFORMATION

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

During the Period, the Company did not redeem any of the shares of the Company (the “**Shares**”) listed on the Stock Exchange, nor did the Company or any of its subsidiaries purchase or sell any of the Shares.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance and the Board considers that effective corporate governance is an essential factor to the corporate success and to enhance Shareholders' value.

The Group has applied the principles and complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules throughout the Period, with the deviation as stated below:

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman (the “**Chairman**”) and CEO should be separate and should not be performed by the same individual.

The roles of both Chairman and the CEO are performed by Mr. MENG Jin Long. The Board considers that vesting the roles of both the Chairman and the CEO in the same individual provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board will continuously review the business operation and board procedures, and will make further arrangements if appropriate.

Model Code for Securities Transactions by Directors (the “Model Code”)

The Board has adopted its own code of conduct regarding securities transactions by Directors (the “**Securities Code**”) on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 to the Listing Rules. Having been specifically enquired by the Company, the Directors have confirmed that they had complied with the Securities Code in their securities transactions during the Period.

Changes of Directors' Information

The following are the changes in the information of Directors since the disclosure was made in the 2014/2015 Annual Report of the Company, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

The emolument of Mr. MENG Jin Long, an executive Director, the Chairman and the CEO of the Group, has been increased from HK\$300,000 per annum to HK\$1,500,000 per annum with effect from 1 November 2015. Such emolument has been determined by the RQNC, by reference to the prevailing market conditions and his duties and responsibilities with the Company.

Mr. YEUNG Man, Simon was appointed as an executive Director, a member of the executive committee of the Company (the “**Executive Committee**”) and the chief financial officer of the Group with effect from 18 August 2015. A service contract has been entered into between the Company and Mr. Yeung for a term of three years commencing on 18 August 2015 and shall continue thereafter on a yearly basis subject to termination by either party with three months' written notice. Under the service contract, Mr. Yeung shall be entitled to receive an annual salary of HK\$1,340,000 and an annual discretionary management bonus (to be determined by the Board), which were determined by the RQNC by reference to the prevailing market conditions and based on the duties and responsibilities undertaken by Mr. Yeung as an executive Director.

Mr. LIU Hong Shen was re-designed from a non-executive Director to an executive Director with effect from 1 November 2015. He was also appointed as a member of the Executive Committee from the same date. A new service agreement has been entered into between the Company and Mr. Liu for a term of three years commencing on 1 November 2015. Under the service agreement, Mr. Liu shall be entitled to a director's fee of HK\$1,500,000 per annum. Such emolument has been determined by the RQNC by reference to the prevailing market conditions and his duties and responsibilities with the Company.

Except as set out in this announcement, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

Audit Committee

The audit committee of the Company (the “**Audit Committee**”) comprises all the independent non-executive Directors who possess appropriate business, legal, engineering and financial experience and skills to undertake the review of the financial statements in accordance with good practice of financial reporting. The Audit Committee is chaired by Mr. LONG Tao and the other two members are Mr. REN Guo Hua and Mr. CHEN Fang. The unaudited interim results for the Period and this announcement have been reviewed by the Audit Committee. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

By order of the Board
Crown International Corporation Limited
Meng Jin Long
Chairman

Hong Kong, 25 November 2015

As at the date hereof, the Board comprises three executive Directors, namely Mr. MENG Jin Long (Chairman and CEO), Mr. LIU Hong Shen (Vice Chairman) and Mr. YEUNG Man, Simon (Chief Financial Officer); and three independent non-executive Directors, namely Mr. LONG Tao, Mr. REN Guo Hua and Mr. CHEN Fang.

* *For identification purpose only*