CROWNIA HOLDINGS LTD.

Consolidated Interim Financial Statements

(Expressed in US Dollars)

Three months ended September 30, 2015 and 2014

(Unaudited)

CROWNIA HOLDINGS LTD.
(Expressed in US Dollars)
Consolidated Interim Statements of Financial Position

	Notes	September 30, 2015 (Unaudited) $	June 30, 2015 (Audited) $
ASSETS			
Current Assets			
Cash and cash equivalents		614,162	76,034
Accounts receivable	11(b)	2,933,682	2,817,751
Other receivable		20,311	23,591
Prepaid expenses		2,923	20,885
Total current assets		3,571,078	2,938,261
Non-current assets			
Property, plant and equipment	5	290	393
Intangible assets	6	104,016	117,601
Total non-current assets		104,306	117,994
TOTAL ASSETS		3,675,384	3,056,255
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		927,353	1,050,871
Advance from customers		9,318	7,798
Total current liabilities		936,671	1,058,669
Non-current liabilities			
Long-term related party payable	12(d)	241,903	212,553
Total non-current liabilities		1,178,574	1,271,222
TOTAL LIABILITIES			
SHAREHOLDERS' EQUITY			
Common shares	8	1,301,662	50,000
Retained earnings		1,111,459	1,726,977
Reserves	9	78,531	-
Accumulated other comprehensive income		5,158	8,056
Total shareholders' equity		2,496,810	1,785,033
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,675,384	3,056,255

NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS (NOTE 1)
SUBSEQUENT EVENTS (NOTE 14)

Approved on behalf of the board:

"*Jin Zhou*"_________ "*Ian Mallmann*"________
Jin Zhou, Director Ian Mallmann, Director

The accompanying notes are an integral part of these consolidated interim financial statements.

CROWNIA HOLDINGS LTD.
(Expressed in US Dollars)
Consolidated Interim Statements of Operations and Comprehensive Income (Loss)
(Unaudited)

	Note	Three months ended September 30, 2015	2014
		$	$
Revenue	4	2,896,635	1,925,558
Cost of Sales	4	2,365,041	1,556,495
Gross Margin		531,594	369,063
Expenses			
Accounting and audit		98,890	128,520
Consulting services		14,368	10,358
Filing and transfer agent		6,096	-
Legal fees		29,650	28,098
Listing expense		890,996	-
Meal and travel expenses		10,355	15,422
Office and general		37,101	30,725
Wages and salaries		39,896	83,963
		1,127,352	297,086
Other Expenses			
Finance expense		-	40,594
Foreign exchange loss		18,390	-
		18,390	40,594
Income tax		1,370	-
Net income (loss)		(615,518)	31,383
Other Comprehensive (Loss)		(3,931)	-
Comprehensive Income (Loss)		(619,449)	20,281
Basic and diluted income (loss) per share		$(0.03)	$0.63
Weighted average number of common shares outstanding – basic and diluted		23,910,054	50,000

The accompanying notes are an integral part of these consolidated interim financial statements.

CROWNIA HOLDINGS LTD.
(Expressed in US Dollars)
Consolidated Interim Statements of Cash Flows
(Unaudited)

	Three months ended September 30, 2015	2014
	$	**$**
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	(615,518)	31,383
Adjustments for items not involving cash:		
Amortization	13,688	51
Listing expense	890,996	-
Realized foreign exchange gain	14,952	-
	304,118	31,434
Changes in non-cash operating working capital:		
Accounts receivable	(115,931)	(791,002)
Other receivable	8,081	-
Prepaid expenses	27,111	26,345
Accounts payable and accrued liabilities	(196,645)	916,514
Advance from customers	1,520	(103,745)
Interest payable, net	-	40,594
Due to (from) related parties	(22,916)	60,011
Net cash from (used in) operating activities	**5,338**	**180,151**
Investing activities		
Cash from RTO on September 11, 2015	126,331	-
Net cash from (used in) investing activities	**126,331**	**-**
Financing activities		
Repayment of loan	-	(190,000)
Proceeds from non-brokered private placement	377,400	-
Proceeds from exercise of warrants	30,432	-
Net cash from (used in) financing activities	**407,832**	**(190,000)**
Net change in cash and cash equivalent	539,501	(9,849)
Effect of exchange rate on cash	(1,373)	-
Cash and cash equivalent, beginning of the period	76,034	16,194
Cash and cash equivalents, end of the period	**614,162**	**6,345**
Supplemental cash flow information		
Interest paid in cash	-	-
Income tax paid in cash	776	-
	776	-

The accompanying notes are an integral part of these consolidated interim financial statements.

CROWNIA HODLINGS LTD.
(Expressed in US Dollars, unless stated otherwise)
Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited)

	Note	Number of Shares	Amount $	Accumulated Other Comprehensive Income $	Retained Earning $	Reserves $	Shareholders ' Equity $
Balance, June 30, 2014		**50,000**	**50,000**	**8,313**	**287,574**	-	**345,887**
Net income for the period		-	-	-	20,281	-	20,281
Balance – September 30, 2014		**50,000**	**50,000**	**8,313**	**307,855**	-	**366,168**
Balance, June 30, 2015		**50,000**	**50,000**	**8,056**	**1,726,977**	-	**1,785,033**
Capital reorganization transaction completed on September 11, 2015		(50,000) 22,000,000	-	-	-	-	-
Fair value of Crownia share capital upon RTO		6,000,000	733,037	-	-	-	733,037
Fair value of options to former officers of Crownia		-	-	-	-	34,242	34,242
Fair value of warrants to RTO agent		-	-	-	-	35,313	35,313
Issuance of shares for non-brokered private placement		2,500,000	377,400	-	-	-	377,400
Issuance of shares for QT finder's fee		500,000	75,480	-	-	-	75,480
Fair value of QT Finder's Warrants		-	-	-	-	44,289	44,289
Exercise of agent warrants		400,000	65,745	-	-	(35,313)	30,432
Other comprehensive gain resulted from RTO		-	-	1,033	-	-	1,033
Other comprehensive loss for the period		-	-	(3,931)	-	-	(3,931)
Net loss for the period		-	-	-	(615,518)	-	(615,518)
Balance – September 30, 2015		**31,400,000**	**1,301,662**	**5,158**	**1,111,459**	**78,531**	**2,496,810**

The accompanying notes are an integral part of these consolidated interim financial statements.

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

CROWNIA HOLDINGS LTD. (Formerly Known as LINGXIAN CAPITAL INC.) (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on July 16, 2012 as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V" or "TSX Venture") Policy 2.4. On April 14, 2014, the Company filed a final prospectus with the securities regulatory authorities in British Columbia and Alberta and with the TSX-V. On May 22, 2014, the TSX-V approved the Initial Offering Prospectus ("IPO") and the Company began trading under the symbol LXC.P on May 23, 2014. The principal business of the Company was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT").

On August 13, 2014 and amended on December 12, 2014 and April 1, 2015, the Company entered into a Letter of Intent ("LOI") to complete a business combination with Jinsili International Steel Holdings Co., Limited ("Jinsili") by acquiring all of the issued and outstanding securities of Jinsili from its shareholders. This transaction is intended to constitute the QT and is considered as a reverse take-over. (see Note 3).

Jinsili was incorporated under the British Virgin Island Business Companies Act on January 10, 2012. Jinsili specializes in specialty steel trade in the international steel markets.

On September 11, 2015, the Company completed its QT and has ceased to be a capital pool company.

The head office of the Company is located at 1980 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9.

Through its review of future activities including forecasting future cash flows, management has formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which management has defined as being at least the next 12 months. In arriving at this judgment, management has prepared the cash flow projections of the Company, which incorporate a 3-year rolling forecast and detailed cash flow modeling through the current financial year. Management has considered the information in relation to the Company's existing commitments and the financial resources available to the Company. The expected cash flows have been modeled based on anticipated revenue and profit streams.

Management has considered the: (i) base of investors and debt lenders historically available; (ii) cash generation, debt levels and debt-to-equity ratios; and (iii) fundamental trends of the Company's businesses. Considering the above, management is satisfied that the Company has adequate resources to continue as a going concern for at least the next 12 months.

For these reasons, these consolidated interim financial statements have been prepared on a going concern basis.

These consolidated interim financial statements have been approved for issue by the Board of Directors on November 27, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(Expressed in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation (continued)

These consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

These consolidated interim financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

Since the QT is accounted for as a reverse take-over transaction, Jinsili is treated as an accounting acquirer and the Company is treated as an accounting acquiree. As a result, the financial statements are a continuance of Jinisili.

Details of controlled entities are as follows:

	Country of Incorporation	Percentage owned as at September 30,		Principal activity
		2015	2014	
Jinsili International Steel Holdings Co., Limited (“Jinsili”)	BVI	100%	100%	Trading
Jinsili (Hong Kong) International Steel Holdings Co., Ltd. (“Jinsili Hong Kong”)	Hong Kong	100%	100%	Trading
Jinsili (Jinan) International Steel Holdings Co., Ltd. (“Jinsili Jinan”)	China	100%	100%	Inactive*
Sheng He Trading (Shenzhen) Co. Ltd. (“Sheng He”)	China	-	100%	Deregistered

* In the process of deregistration as at September 30, 2015

Critical accounting judgments, estimates and assumptions

The preparation of these consolidated interim financial statements, in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the periods. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgments, estimates and assumptions (continued)

Significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amount recognized in the statements of financial position are:

i. *Allowance for doubtful accounts*

The Company extends unsecured credit to its customers in the ordinary course of business but mitigates the associated risks by performing credit checks and actively pursuing past due accounts. An allowance for doubtful accounts is estimated and recorded based on management's assessment of credit history with the customers and current relationships with them.

ii. *Intangible assets*

The Company assesses that an intangible asset has a finite life. The useful life used by management is based on their best estimate. Actual results may differ from this estimate.

Significant areas of critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the statement of financial position are:

i. *Going concern*

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated interim financial statements for the three months ended September 30, 2015 and 2014. Management prepares the consolidated interim financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecasts and access to replacement financing for the future twelve months.

ii. *Gross versus net revenue recognition*

The Company evaluates whether it is appropriate to record the gross amount of its revenues and related costs by considering a number of factors, including, among other things, whether the Company is the primary obligor under the arrangement and has latitude in establishing prices. Revenue is derived from strategic partners providing shipping and packaging services to customers. Management has reviewed the primary indicators of these transactions such as:

- The strategic partners the service to the customer operating on behalf of the Company;
- The Company has control over who performs the service;
- The Company is responsible for all billing and collecting of revenues;
- The Company is responsible for setting all rates; and
- The strategic partners receive a set percentage of revenue generated.

Taking all the above consideration, management has made the judgment that the Company is the primary obligor in these transactions and has sole latitude in establishing prices. Accordingly, revenue is recorded on a gross basis. When the service has been performed, the related costs are incurred, the revenues can be reliably measured and when collectability is reasonably assured.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgments, estimates and assumptions (continued)

iii. *Impairment of long-lived assets*

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No indication of impairment noted for the periods ended September 30, 2015 and 2014.

Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and cash on hand and short term money market instruments with an original maturity of three months or less when acquired, which are readily convertible into a known amount of cash. As at September 30, 2015 and June 30, 2015, cash and cash equivalents solely consist of cash.

Revenue

The Company recognizes revenue, primarily from the sale of goods, net of trade discounts, rebates and other similar allowances. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probably that the economic benefits will flow to the Company, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The timing of the transfers of risks and rewards is depending on the terms of the contract of sales, which in most cases is after the product delivered to a destination port specified by the customers.

Foreign Currencies Translation and Transaction

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated interim financial statements are presented in US dollars ("US Dollars"), which is Jinsili's functional currency. The functional currency of Jinsili Hong Kong is Hong Kong dollars ("HK Dollars") and the functional currency of Jinsili Jinan is Renminbi ("RMB"). The functional currency of Crownia Holdings Ltd. is Canadian dollars.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of loss in the period in which they arise.

The financial statements of the entities that have a functional currency different from US Dollars are translated into US Dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate of the period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognized in other comprehensive income as cumulative translation adjustments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization and impairment losses. Amortization is provided over the estimated useful lives of assets as follows:

Computer software	5 years

Cost associated with normal maintenance and repairs are expensed when they occur. Costs of major replacements that substantially extend the economic life of the asset are capitalized.

Upon disposal or abandonment, the carrying amount of an asset is derecognized and any gain or loss arising from the disposal or abandonment of the asset is determined as the sales proceeds less the carrying value of the asset and recognized as an operation expense in the statement of operations and comprehensive income (loss).

Intangible assets

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is provided using the straight-line method in amounts sufficient to amortize the cost of the assets over the estimated useful lives indicated:

Customer list	3 years

Impairment of Non-Financial Assets

The carrying amounts of the Company’s non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is an indication of impairment, then the asset’s recoverable amount is estimated.

An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Earnings (loss) per share

Basic earnings per share is computed by dividing net earnings available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are all anti-dilutive.

Financial instruments – recognition and measurement

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments and loans and receivables are measured at amortized cost using the effective interest method.

Effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments – recognition and measurement (continued)

The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effectively yield basis.

The Company has implemented the following classifications for its financial instruments:

1. Cash has been classified as FVTPL.
2. Accounts receivables, other receivable and due from related parties have been classified as loans and receivables.
3. Accounts payables, interest payable, other payable, loan payable (including loan from a related party) and due to related parties have been classified as other financial liabilities.

Impairment of financial assets

The Company assesses at the end of each reporting year whether a financial asset is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to accounts receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the accounts receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent accounting pronouncements adopted

The Company has adopted the following new accounting standards and interpretations effective July 1, 2014. There is no material impact to the Company from adoption of these standards and interpretations:

- IFRS 3 Business combination

  The amendments to IFRS 3, issued in December 2013, clarify the accounting for contingent consideration in a business combination. At each reporting period, an entity measures contingent consideration classified as an asset or a financial liability at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014.

  Additional amendments to IFRS 3, issued in December 2013, clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself. The amendments are effective for annual periods beginning on or after July 1, 2014.

- IFRS 8 Operating segments

  The amendments to IFRS 8, issued in December 2013, require an entity to disclose the judgments made by management in applying the aggregation criteria for reportable segments. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

- IAS 16 Property, plant and equipment and IAS 38 Intangible assets

  The amendments to IAS 16 and IAS 38, issued in December 2013, clarify how an entity calculates the gross carrying amount and accumulated depreciation when a revaluation is performed. The amendments are effective for annual periods beginning on or after July 1, 2014.

- IAS 24 Related party disclosures

  The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

New accounting standards issued but not yet effective

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures.

IFRS 9 Financial Instruments

This is a finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Classification and measurement**. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment**. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- **Hedge accounting**. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- **Derecognition**. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the International Accounting Standard Board (IASB) issued a new International Financial Reporting Standard (IFRS) on the recognition of revenue from contracts with customers. IFRS 15 specifies how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*. The Section provides a single, principles based five-step model to be applied to all contracts with customers, with certain exceptions. The five steps are:

- Identify the contract(s) with the customer.
- Identify the performance obligation(s) in the contract.
- Determine the transaction price.
- Allocate the transaction price to each performance obligation in the contract.
- Recognize revenue when (or as) the entity satisfies a performance obligation.

The standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

(Expressed in US Dollars)

3. REVERSE TAKE-OVER

On September 11, 2015, the Company completed a business transaction where the Company acquired all issued and outstanding equity interest of Jinsili for exchange of issuance of 22,000,000 common shares of the Company. As a result of the transaction, the former shareholder of Jinsili acquired control of the Company. Therefore, the transaction is considered as a reverse take-over.

As per IFRS 2 Share Based Payment and IFRS 3 Business Combination, since this transaction does not constitute a business combination, rather it is treated as a reverse take-over, it is treated as an issuance of shares by Jinsili for the net assets of the Company and its listing status as of September 11, 2015. Since the share consideration to be allocated to the former shareholders of the Company on closing the transaction is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations of the Company acquired on closing is to be expensed in the consolidated interim statement of operations and comprehensive income as listing expense.

In connection with the transaction, the Company closed a non-brokered private placement for gross proceeds of $377,400 (CAD $500,000) for issuance of 2,500,000 common shares at a $0.15 (CAD $0.20) per share. Upon closing of the transaction, the Company also issued a finder's fee to Qu Bo International Trading Company Limited ("Qu Bo") for 500,000 common shares (each "Finder's Share") and 500,000 non-transferable warrants (each "Finder's Warrants") to be exercised at $0.14 (CAD $0.19) for a period of two years.

The fair value of the Finder's Warrants is $44,289 (CAD $58,676) and is determined using the Black-Scholes option pricing model assuming a risk free interest rate of 0.52%, a dividend yield of 0%, an expected volatility of 112.50% and an expected life of two years.

The assets acquired and liabilities assumed are at their fair values which are the same as their carrying amounts. The net assets of the Company at fair value on September 11, 2015, are as follows:

	$	CAD $
Crownia's Identifiable Net Assets		
Cash and cash equivalents	503,731	667,370
Subscription receipts	(377,400)	(500,000)
GST receivable	4,900	6,492
Prepaid expenses	9,199	12,187
Accounts payable	(108,032)	(143,127)
Identifiable net assets	32,398	42,922
Transaction Costs		
Deemed share issue	733,037	971,167
Options deemed granted	34,242	45,366
Warrants deemed granted	35,313	46,785
	802,592	1,063,318
Finders fees in common shares	75,480	100,000
Finders fees in warrants	44,289	58,676
	119,769	158,676
Listing expense, net of identifiable net assets and other comprehensive income	889,963	1,179,072

(Expressed in US Dollars)

3. REVERSE TAKE-OVER (CONTINUED)

The share based compensation in the amount of $802,592 (CAD $1,063,318) included in the listing expense is comprised of $733,037 (CAD $971,167) representing the fair value of the existing shares prior to the transaction at $0.15 (CAD $0.20) per share, $34,242 (CAD $45,366) representing the fair value of the existing options retained by the former shareholders of the Company, and $35,313 (CAD $46,785) representing the fair value of the existing warrants issued to the IPO agent. The $0.15 (CAD $0.20) value for the abovementioned shares was based on the fair value from the concurrent private placement, adjusted by the price effect on escrowed shares. The fair value of the options and warrants was based on an application of the Black Scholes option pricing model using the following weighted average assumptions: a share price of $0.15 (CAD $0.20) per share, a volatility of 112.5%, a weighted average annual risk free interest rate of 0.52%, no dividends, and expected remaining expected lives of 3.7 and 0.7 years for the options and warrants respectively.

4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Company's directors. The Company's principal activity is importing and exporting specialty steels. The directors regard it as the single business segment and no segment information is presented.

Geographical information of the Company's sales, cost of goods sold, and operating expenses is as follows:

	For the three months ended September 30,	
	2015	2014
	$ Total	**$ Total**
Revenue		
British Virgin Island	**2,896,635**	**1,925,558**
Hong Kong	**-**	**-**
China	**-**	**-**
	2,896,635	**1,925,558**
Cost of goods sold		
British Virgin Island	**2,365,041**	**1,556,495**
Hong Kong	**-**	**-**
China	**-**	**-**
	2,365,041	**1,556,495**
Operating expenses		
British Virgin Island	**181,434**	**231,279**
Canada	**913,073**	**-**
Hong Kong	**716**	**(4)**
China	**32,129**	**62,830**
	1,127,352	**294,105**
Intangible assets		
British Virgin Island	**104,016**	**-**
Hong Kong	**-**	**-**
China	**-**	**-**
	104,016	**-**

(Expressed in US Dollars)

5. PROPERTY, PLANT AND EQUIPMENT

	Office equipment $
Cost	
At June 30, 2015	650
Change during the period	-
At September 30, 2015	650
Accumulated depreciation	
At June 30, 2015	(257)
Change during the period	(103)
At September 30, 2015	(360)
Net book value	
At June 30, 2015	393
At September 30, 2015	290

6. INTANGIBLE ASSETS

On August 30, 2014, the Company entered into an assets purchase agreement with Profisino Global Holdings Company Limited ("Profitsino") to purchase a client database for a consideration of $163,018 (RMB $1,000,000). The purchase was completed on November 30, 2014 and the amortization commenced on December 1, 2014. The amortization expenses for the three months ended September 30, 2015 is $13,585 (September 30, 2014 - $nil).

	Customer list $
Cost	
At June 30, 2015	163,018
Change during the period	-
At September 30, 2015	163,018
Accumulated depreciation	
At June 30, 2015	(45,417)
Change during the period	(13,585)
At September 30, 2015	(59,002)
Net book value	
At June 30, 2015	117,601
At September 30, 2015	104,016

7. LOAN PAYABLE

On January 10, 2012, the Company entered into a loan agreement with an arm's length party ("Lender"). The Lender agrees to provide an operating loan to a maximum of $1,288,000 ($10,000,000 HK Dollars) to the Company during the period of January 15, 2012 to January 14, 2017. The loan is unsecured, due on demand, and bears an interest rate of 12% per annum.

For the three months ended September 30, 2015, the outstanding balance is $nil (June 30, 2015 - $nil). The interest charged to the Company during the three months ended September 30, 2015 is $nil ($nil HK dollars) (three months ended September 30, 2014 - $9,935) ($77,002 HK dollars).

8. SHARE CAPITAL

a) Authorized: Unlimited number of common voting shares without nominal or par value

The below number of shares have been effected for the reverse take-over at a ratio of 1:440.

b) Issued and Outstanding: At September 30, 2015, 31,400,000 common shares were outstanding (June 30, 2015 – 22,000,000) .

Share transactions after the reverse take-over:

c) On September 21, 2015, Leede exercised 25,000 warrants at an exercise price at $0.08 (CAD $0.10) into 25,000 common shares.

d) On September 18, 2015, Leede exercised 375,000 warrants at an exercise price at $0.08 (CAD $0.10) into 375,000 common shares

e) In connection with the reverse take-over, the Company issues 500,000 common shares as finder's fee to Qu Bo International Trading Company Limited.

f) On September 11, 2015, the Company completed a business transaction where the Company acquired all issued and outstanding equity interest of Jinsili for exchange of issuance of 22,000,000 common shares of the Company.As a result of this transaction, Xizhou Tong, the sole shareholder of Jinsili has ownership or exercises control or direction over an aggregate of 22,000,000 Common Shares in the capital of the Company, representing approximately 68.37% of the issued and outstanding Common Shares of the Company, on fully diluted basis.

Share transactions before the reverse take-over:

Upon incorporation on January 10, 2012, the Company issued 50,000 common shares for $50,000 in the name of Ms. Xiaofang Zheng, the former sole shareholder of Jinsili. On January 17, 2013, Ms. Xiaofang Zheng transferred 55% of shares to Mr. Shijian Tong and 20% of shares to Mr. Chun Hao Yu. On December 10, 2013, Ms. Xiaofang Zheng transferred additional 25% of shares to Mr. Shijian Tong. On June 30, 2014, Mr. Xizhou Tong purchased 100% ownership of the Company from Shijian Tong and Chun Hao Yu.

(Expressed in US Dollars)

9. OPTIONS AND WARRANTS

a) Warrants:

The warrants that are issued and outstanding as at September 30, 2015 are as follows:

	Number of warrant	Exercise price	Exercise price (CAD)
		$	$
Balance, June 30, 2015	400,000	0.08	0.10
Issued	500,000	0.14	0.19
Exercised	(400,000)	0.08	0.10
Balance, September 30, 2015	500,000	0.14	0.19

The following table summarizes the warrants outstanding and exercisable as at September 30, 2015:

Number of Warrants	Exercise Price	Exercise Price (CAD)	Expiration Date
500,000	$0.14	$0.19	September 11, 2017

Upon closing of the reverse take-over transaction, the fair value of the Finder's Warrants is $44,289 (CAD $58,676) and is determined using the Black-Scholes option pricing model assuming a risk free interest rate of 0.52%, a dividend yield of 0%, an expected volatility of 112.50% and an expected life of two years.

The agent warrants granted upon closing of the IPO were re-valued upon closing of the reverser take-over transaction. $35,313 (CAD $46,785) representing the fair value of the existing warrants issued to the IPO agent. The fair value of the warrants was based on an application of the Black Scholes option pricing model using the following weighted average assumptions: a share price of $0.15 (CAD $0.20) per share, a volatility of 113%, a weighted average annual risk free interest rate of 0.52%, no dividends, and expected remaining expected lives of 0.7 year.

On September 18 and 21, 2015, a total of 400,000 agent warrants were exercised.

b) Stock option plan:

On November 25, 2013, the Company adopted an incentive share option plan for granting options to directors, employees and consultants, under which the total outstanding options are limited to 10% of the outstanding common shares at the date of grant. The exercise price of the options granted will be no less than the discounted market price of the Company's shares and the maximum term of the options will be 10 years or such longer term as permitted by the TSX-V.

c) Options:

On May 23, 2014, the Company granted 280,000 stock options to former officers at the closing of its IPO. Each option can be exercisable into one common share of the Company at a price of $0.08 (CAD $0.10) per share for five years from the date of grant. The options vested on the grant date. The average grant date fair value of the options was $0.08 (CAD $0.10).

Upon closing of the reverse take-over transaction, options granted to former officers were revalued at $34,242 (CAD $45,366). The fair value of the options and warrants was based on an application of the Black Scholes option pricing model using the following weighted average assumptions: a share price of $0.15 (CAD $0.20) per share, a volatility of 113%, a weighted average annual risk free interest rate of 0.52%, no dividends, and expected remaining expected lives of 3.7 years.

(Expressed in US Dollars)

9. OPTIONS AND WARRANTS (CONTINUED)

The options outstanding and exercisable at September 30, 2015 are as follows:

	Number of options	Exercise Price	Exercise Price (CAD)
		$	$
Balance, September 30, 2015 and June 30, 2015	280,000	0.08	0.10

The following table summarizes the options outstanding and exercisable as at September 30, 2015:

Number of Options	Exercise Price	Exercise Price (CAD)	Expiration Date
280,000	$0.08	$0.10	May 23, 2019

As at September 30, 2015, 280,000 options with a weighted average remaining contractual life of 3.7 years were outstanding and exercisable, entitling the holders thereof the right to purchase one common share for each option held.

10. CAPITAL MANAGEMENT

The Company’s objective is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Management defines capital as the Company’s shareholders’ equity. The Company has advances from related parties for working capital purposes and therefore net earnings generated from operations give priority to the repayment of debt and then available for reinvestment in the Company. The Board of Directors does not establish quantitative return on capital criteria for management; but rather promotes year over year sustainable profitable growth. The Company is not subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of Financial Instruments:

(a) Fair Values

Financial instruments recorded at fair value are measured using a three-level fair value hierarchy:

Level 1	Fair value is determined by reference to quoted prices in active markets for identical assets and liabilities
Level 2	Fair value is determined based on inputs other than quoted prices for which all significant inputs are observable, either directly or indirectly
Level 3	Fair value is determined based on inputs that are unobservable and significant to the overall fair value measurement

(Expressed in US Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As at September 30, 2015 and June 30, 2015, cash is assessed to be level 1 instrument.

The fair values of other financial instruments, which include accounts receivable, other receivable, and accounts payable approximate their carrying values due to the relatively short-term maturity of these instruments.

For long-term related party payable, it is initially measured at fair value, which is determined by discounting future payments of principal and interests under long-term payable at the market interest rate at reporting dates.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable.

The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

100% of the Company's revenue for the three months ended September 30, 2015 and 2014 were derived from export sales. The Company has one major customer, who represents 100% of accounts receivable as at September 30, 2015 (June 30, 2015 – 100 %). This major customer also represents 100% of total revenue for the three months ended September 30, 2015 (September 30, 2014 –nil%). The collectability of accounts receivable from this major customer could significantly impact the operation of the Company. Subsequent to September 30, 2015, the Company has collected $524,900.

The aging of accounts receivable as at the reporting date is:

	As at September 30, 2015	As at June 30, 2015
	$	$
Past due within 30 days	1,149,696	161,456
Past due 30 - 90 days	1,599,416	578,683
Past due 91 - 120 days	184,571	214,184
Past due 121 - 180 days	-	1,863,428
	2,933,682	2,817,751

(c) Currency Risk

Currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign currency risk, which arises primarily on fluctuations between the US Dollar and the Canadian Dollars and the US Dollar and the HK Dollar, is considered minimum given the foreign transactions are limited.

(Expressed in US Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At September 30, 2015 and June 30, 2015, the Company had a working capital of $2,634,407 and $1,879,592. The Company is focused on generating sales revenue and is actively pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and planned capital expenditures.

The following tables detail the remaining contractual maturities at the respective reporting dates of the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Company can be required to pay:

	Carrying amount	Total contractual undiscounted cash flow	Within one year or on demand	One to three years
	$	$	$	$
Accounts payable and other payable	927,353	927,353	927,353	-
Long-term related party payable	241,903	241,903	-	241,903
As of September 30, 2015	1,169,256	1,169,256	927,353	241,903
Accounts payable and other payable	1,050,871	1,050,871	1,050,871	-
Long-term related party payable	212,553	212,553	-	212,553
As of June 30, 2015	1,263,424	1,263,424	1,050,871	212,553

(b) Price Risk

The Company is exposed to price risk with respect to fluctuations in the market price or availability of special steels could impact the Company's cash flow and purchase.

The Company's profitability depends on the selling price and purchase price of its products to customers. These prices are subject to various legislation, regional supply and demand and general economic conditions.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have interest bearing assets in relation to cash at banks carried at floating interest rates with reference to the market. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal.

12. RELATED PARTY TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(Expressed in US Dollars)

12. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) *Transactions with the former Significant shareholder*

i. During the year ended June 30, 2013, the Company has received a loan of $1,000,000 (the "Loan") from Mr. Shijian Tong, the former significant shareholder of the Company. The Loan was unsecured and due on July 2014 with annual interest rate of 12%. The Loan was extended to November 7, 2017 and Mr. Shijian Tong assigned the Loan to Mr. Xizhou Tong. As of June 30, 2015, the loan has been paid off.

As of three months ended September 30, 2015, the interest expense are $nil. (Three months ended September 30, 2014 - $30,000)

(b) *Transactions with Shenzhen China Kyle Special Steel Co. Ltd. ("Shenzhen China-Kyle ")*

Shenzhen China-Kyle is an export-oriented Chinese company which specializes in special steel supply. The former CEO of the Company holds a key management position at Shenzhen China-Kyle. The current CEO owns 30% of Shenzhen China-Kyle.

i. On April 28, 2012, Jinsili entered into a labour cooperation agreement, among Shenzhen Foreign Labour Service Company, with Shenzhen China-Kyle, pursuant to which Shenzhen China-Kyle agrees to provide labour management services for Jinsili for a period of 5 years. On August 1, 2014, Jinsili entered into an operation cooperation agreement with Shenzhen China-Kyle, pursuant to which Shenzhen China-Kyle provides office space as well as management and administrative services to Jinsili. Jinsili shall be responsible for the rents, office expenses, salaries, benefits and travel expenses in respect of the office spaces and staff that Jinsili has utilized and engaged pursuant to the labour cooperation agreement and operation cooperation agreement. Expenses incurred by Shenzhen China-Kyle on behalf of Jinsili for the three months ended September 30, 2015 and 2014, pursuant to the operation cooperation agreement, will be paid off these management expenses to Shenzhen China-Kyle by December 31, 2016 at its discretion with no interest. On August 31, 2015, both parties agreed to terminate the labour cooperation agreement as of August 31, 2015 without any penalty. As of September 30, 2015, the balance owing to Shenzhen China-Kyle is $241,903 (June 30, 2015 - $212,553).

	For the period ended September 30,	
	2015	2014
	$	$
Office expenses	-	8,514
Salaries and benefits	-	42,540
Travel	-	11,775
	-	62,829

ii. On May 17, 2012, the Company and Shenzhen China Kyle entered into a business strategy and export agency agreement. Under the agreement, Shenzhen China Kyle acts as the agent to purchase inventories for the Company in China. For each purchase transaction, China Kyle earns a minimum of 3% commission on the purchase price plus an additional 1% service charges. On December 31, 2014, the Company and Shenzhen China Kyle mutually terminated the export agency agreement.

Purchases made from Shenzhen China Kyle during the three months ended September 30, 2015 and 2014 are described below:

(Expressed in US Dollars)

12. RELATED PARTY TRANSACTIONS (CONTINUED)

	For the period ended September 30,	
	2015	2014
	$	$
Shenzhen China-Kyle	-	516,637

(c) *Related party compensation*

i. During the three months ended September 30, 2015 and 2014, the following amounts were incurred with respect to the officers of the Company:

	For the period ended September 30,	
	2015	2014
	$	$
Consulting services	2,636	-
Wages and salaries	10,303	9,694

ii. During the three months ended September 30, 2015 and 2014, the following amounts were incurred with respect to consulting services provided by a corporation controlled by the Chief Executive Officer:

	For the period ended September 30,	
	2015	2014
	$	$
Consulting services	7,530.00	-

(d) *Balance with Related Parties*

As at September 30, 2015 and June 30, 2015, the following amounts remained outstanding (see Note 12(b)i):

	As of September 30, 2015	As of June 30, 2015
	$	$
Long-term related party payable	241,903	212,553

These transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount.

13. ECONOMIC DEPENDENCE

The Company cooperated with one major supplier for the three months ended September 30, 2015 and two major suppliers ended September 30, 2014 to purchase specialty steel. Purchases from the one major supplier represent 100% of the purchases for the three months ended September 30, 2015 (45% of the purchase for the three months ended September 30, 2014). These suppliers also handle packaging and transportation functions for the Company. As the majority of the Company’s income is derived from the sale of specialty steel products, its ability to continue operations is dependent upon the relationship with and the sustainability of these suppliers. Any significant disruption in the supply chain could result in a material adverse effect on the operations of the Company.

13. ECONOMIC DEPENDENCE (CONTINUED)

Furthermore, the Company had one major customer for the three months ended September 30, 2015 (one major customer for the three months ended September 30, 2014). Sales from the major customers represent 100% during the three months ended September 30, 2015 (nil % for the three months ended September 30, 2014). The loss of this significant customer will adversely impact the operations of the Company.

14. SUBSEQUENT EVENT

On October 9, 2015, the Company granted options to certain consultants, directors, officers and employees to purchase up to aggregate 2,370,000 shares of the Company. Options granted to certain consultants, directors, officers and employees are at a price of $0.27 (CAD $0.35) per share, exercisable until October 9, 2020, with one-third of such stock options vesting on the date of grant, and another one-third vesting on the first and second anniversary of the date of grant, resepctively

Options granted to certain consultants and employees are at a price of $0.27 (CAD $0.35) per share, exercisable until October 9, 2020, with 10% of such stock options vesting on the date of grant, 20% on the first anniversary, 30 % on the second anniversary and 40% on the third anniversary of the date of grant.

On Octber 16, 2015, the Company incorporated a wholly owned subsdiary in British Columbia, Crownia International Trading Ltd., to be the hub for developing the Company’s trading business in North and South America.