

COVER SHEET

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S.E.C. Registration Number

C R O W N E Q U I T I E S , I N C .

(Company's Full Name)

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N . G A R C I A C O R J U P I T E R S T M A K A T I

(Business Address : No. Street City / Town / Province)

E U G E N E M A C A L A L A G

Contact Person

8 9 9 - 0 4 - 5 5

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

1 7 - Q

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

COVER SHEET

CROWN EQUITIES, INC.

(Company's Full Name)

**4th Floor Crown Center, 158 N. Garcia
Corner Jupiter Street, Makati City**

Company's Address: No./Street/City/Town/Province

899-0455

Company's Telephone Number

December 31

Calendar Year Ending
(Month & Day)

(Annual Meeting)

SEC Form 17-Q

Form Type

Amended Designation (If Applicable)

N/A

Secondary License Type and File Number

LCU

Cashier

DTU

A1996-38745
S.E.C. Registration No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: September 30, 2010
2. Commission Identification Number: 38745 3. BIR Tax Identification No.: 002-837-461
4. Exact name of issuer as specified in its charter: CROWN EQUITIES, INC.
5. Province, country or other jurisdiction of incorporation or organization: Philippines
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office: Postal Code: 1209
4th Floor Crown Center 158 Jupiter Street Corner N. Garcia, Makati City
8. Issuer's telephone number, including area code: (632) 899-04-55
9. Former name, former address and former fiscal year, if changed since last report: N/A
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of shares of common stock outstanding and amount of debt outstanding</u>
Common	13,599,999,960 shares

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange / Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Please see Annex A

Item 2. Management's Discussion & Analysis of Financial Condition and Result of Operations

Discussions of Financial Condition and Changes in Financial Condition

	Sep 2010 (Unaudited)	Dec 2009 (Audited)	Increase/ (Decrease)	%age Change
Cash and cash equivalents	114.19	76.15	38.04	49.96%
Financial assets at fair value thru profit & loss	16.74	14.75	1.99	13.46%
Installment contracts receivable – short-term	39.59	33.05	6.54	19.79%
Receivables and advances	63.90	75.05	-11.15	-14.85%
Inventories	271.21	316.85	-45.64	-14.40%
Other current assets	22.15	8.66	13.49	155.76%
Total current assets	527.78	524.50	3.28	0.62%
Installment contracts receivable – long-term	58.33	54.55	3.77	6.92%
Investments and advances to related parties-net	326.95	326.93	0.02	0.01%
Investment properties – net	680.18	663.47	16.71	2.52%
Property and equipment - net	252.11	243.19	8.92	3.67%
Goodwill	21.74	21.74	0.00	0.00%
Other non-current assets	45.55	46.88	-1.33	-2.83%
Total non-current assets	1,384.87	1,356.77	28.1	2.06%
TOTAL ASSETS	1,912.64	1,881.27	31.37	1.67%
Accounts payable and other liabilities	127.12	120.52	6.60	5.47%
Due to related parties	67.08	72.15	-5.07	-7.03%
Subscriptions payable	42.16	42.16	0.00	0.00%
Total current liabilities	236.36	234.84	1.52	0.65%
Retirement benefit obligation	4.86	3.94	0.92	23.22%
TOTAL LIABILITIES	241.22	238.78	2.44	1.02%
Shareholders' equity	1,524.45	1,498.66	25.79	1.72%
Minority interest	146.97	143.83	3.14	2.18%
TOTAL EQUITY	1,671.42	1,642.49	28.93	1.76%
TOTAL LIABILITIES & EQUITY	1,912.64	1,881.27	31.37	1.67%

Amounts in million pesos, except percentages.

Total Assets

Total assets increased by 1.67% by the end of the third quarter of 2010 from P1.881 billion as of December 31, 2009 to P1.912 billion as of September 30, 2010. This is primarily attributed to the increase in the level of cash and installment contracts receivables. These accounts increased because of the earnings that the Company was able to realize in the period. The net income of 28.93 million gave way to a significant increase of cash and installment

contracts receivables. Even though the Company has paid cash to purchase more investment properties and equipment, the high cash income of the Company was more than enough to have an ending cash balance of P38.04 million higher than the balance in the previous period.

Current Assets

Total current assets increased by 0.62% from P524.50 million as of December 31, 2009 to P527.78 million as of September 30, 2010. This is brought about by the increase of P38.04 million in the amount of cash caused by an improvement in sales and collection of receivables. Other current assets also increased by P13.49 million which mainly pertains to the amount of prepaid items. Also, short-term installment contract receivables increased by P6.54 million arising from sale of condominium units and residential lots. Lastly, financial assets increased by P1.99 million due primarily to the recovery in fair value of marketable equity securities. These increases came from the significantly higher earnings of the Company as mentioned earlier.

However, these were mitigated by the decline in inventories amounting to P45.64 million resulting from sales of condominium units and residential lots. Receivables and advances also declined by P11.15 million due to receipt from the project developer of previously unremitted collections from installment contract receivables.

Non-Current Assets

Total non-current assets increased by 2.06% from P1.357 billion as of December 31, 2009 to P1.385 billion as of September 30, 2010. This is largely attributed to the increase of P16.71 million in investment property pertaining to acquisition of a parcel of land in Taguig City and additional titling costs for land properties in Batangas. Property and equipment also increased by P8.92 million representing acquisition of medical equipment to be used by the clinic operations and the cost of additional works on the Crown Center Building in Makati City which houses the operations of the Company and its subsidiaries. There was also an increase in the long-term portion of installment contract receivable resulting from additional sales during the period.

Liabilities and Stockholders' Equity

Total liabilities increased by 1.02% from P238.78 million as of December 31, 2009 to P241.22 million as of September 30, 2010. Accounts payable and other liabilities increased by P6.6 million pertaining largely to the increase in the amount of customers' deposit received from buyers of real estate. There was also an increase in the obligation for retirement benefit to employees of P92 thousand as a result of accrual of retirement expense for the period. However, this is mitigated by the decline in due to related parties representing payments for advances.

Total equity increased by 1.76% from P1.642 billion as of December 31, 2009 to P1.671 billion as of September 30, 2010 representing net income realized for the period ended September 30, 2010.

Discussions on Results of Operation

Account (P'000'000)	Sep 30 YTD 2010 (Unaudited)	Sep 30 YTD 2009 (Unaudited)
Real estate sales	101.46	21.02
Sales of Medical goods & services	42.50	32.16
Interest income	8.66	5.08
Other income	10.32	7.10
Cost of sales & services	62.66	26.76
Employee compensation and benefits	14.39	10.41
Operating costs and other expenses	56.96	21.53
Net income (Loss)	28.93	6.66

The result of operation improved significantly from a net income of P6.66 million as of the third quarter of 2009 to P28.93 million for the same period in 2010. This was the result of the increase in revenue arising from real estate and clinic operations.

The Company has become more efficient in selling its inventory in 2010 with an improved inventory turnover ratio of 0.1384 compared to last year's ratio of only 0.0976. Total revenue increased by 149% from P65.36 million as of the third quarter of 2009 to P162.94 million for the same period in 2010. This is brought primarily by the increase in the number of condominium units and residential lots sold amounting to P80.44 million during the period. The clinic operations also rose in revenue by 32% brought about by increase in the number of corporate clients. The increase in interest income of 71% is attributed to the interest earned on real estate sales on installment basis and on money market funds and placements. Other income also increased by P3.22 million as a result of the rental income earned on the leasable space in the Crown Center building.

The Company has also become more efficient in collecting its receivables. Its receivables turnover ratio in 2009 was 1.6349 and it went up to 3.2 in 2010. With the increased collections that the Company has been able to make in 2010, the Company has been taking less time in meeting its short-term payables. From a payables turnover ratio of 0.3905 in 2009, it is now 0.6 as of September 2010. Moreover, the Company's total asset turnover ratio is 0.0866 as of September 2010 which is an improvement from 0.0621 from 2009. All of the activity ratios show that the Company has been having a more efficient selling and collecting operations in 2010.

Total costs and expenses increased by 128% from P58.70 million as of the third quarter of 2009 to P134.01 million for the same period in 2010. This is mainly due to the increase in the

cost of condominium units and residential lots corresponding to the increase in real estate revenue. The increase in revenue from the clinic operations also resulted to an increase in the cost directly attributable to rendering of medical services such as the salaries of medical personnel and the cost of medical supplies. The increase in employee compensation and benefits of P3.98 million resulted from the need to employ additional personnel as required by the increase in operations.

The increase in revenue also caused other operating costs and expenses to rise. Commissions related to the sale of real estate increased by P7.58 million during the period. Impairment loss amounting to P7.69 million was recognized on uncollectible receivable. Taxes and licenses increased by P3.84 million pertaining to real property taxes paid for the real estate properties and the saleable residential lots.

The big increase in revenue that came up with a relatively smaller increase in costs led to higher profitability ratios in 2010. The gross margin as of September 2010 is 56.48% which is an increase from 59.05% in September 2009. The EBT (Earnings Before Taxes) ratio improved from 10.83% to 23.15%. Ultimately, the profit margin rose from 10.19% to 17.76% in September 2010. These improved profitability ratios affected the Company's ROA and ROE which are now 1.54% and 1.74%, respectively. These ROA and ROE ratios showed great improvement from September 2009's 0.4% for both ratios.

Key Performance Indicators

Indicator	As of		Formula
	Sep 2010	Dec 2009	
Investments Ratio	0.53	0.53	$\frac{\text{Total Investment and Advances}}{\text{Total Assets}}$
Current Ratio	2.23	2.23	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt Ratio	0.13	0.13	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
	Year to date		
	Sep 2010	Sep 2009	
Return on Assets	0.015	0.004	$\frac{\text{Net Income}}{\text{Total Assets}}$
Income/ (Loss) Per Share	0.002	0.001	$\frac{\text{Net Income}}{\text{Total Shares Subscribed}}$

The Company measures its performance based on the utilization of assets and the return on its investments. However, as of September 30, 2010, most of its investments are in ventures that are still at pre-operating stages.

Investment ratio, which indicates the proportion of total assets invested in various ventures including land banking did not post any change from the period as of December 31, 2009 to September 30, 2010. There were no major additional investments acquired to be able to post an increase in investment ratio.

Current ratio did not post any significant changes from December 31, 2009 to September 30, 2010 indicating that the current assets of the Company are still very much sufficient to cover payment of short-term liabilities. However, there have been changes in the Company's quick and cash ratios which are more conservative measurements of the Company's liquidity. The quick ratio increased from 0.8474 in 2009 to 0.9918 as of September 2010. The ultimate measure of liquidity, the cash ratio, also improved in September 2010. From a cash ratio of 0.3871 in 2009, it increased significantly to 0.5539 in September 2010. Hence, even if there has been no significant change in the Company's current ratio, there is still considered to be an improvement in the Company's liquidity.

There has also been no significant change in the debt ratio of 0.13 which means that the total assets are still largely funded by capital. In fact, the portion of the assets being funded by capital increased by a very small amount. The financial leverage of the Company decreased from 1.1502 in 2009 to 1.1429 in September 2010.

Utilization of total assets to be able to generate income significantly improved as indicated by the increase in return on assets from 0.004 as of September 2009 to 0.020 as of September 2010. On a per share basis, net income increased from 0.001 as of September 2009 to 0.002 as of September 30, 2010.

ROE improved significantly from 0.0009 in December 2009 to 0.0174 in September 2010. The increase in ROE originated from the improved operations of the Company in 2010. The tax burden ratio increased from 0.2256 in December 2009 to 0.7671 in September 2010. EBT ratio increased from 0.0582 to 0.2315. The asset turnover ratio increased from 0.0621 to 0.0866. The financial leverage, however, decreased from 1.1502 to 1.1429.

Based on the ratios, the improvement in the Company's ROE did not result from any change in its capital structure. The big improvement came from its more effective management of its costs and expenses and its improved performance in its income-generating activities. The Company has also become more efficient in utilizing its assets to generate revenue.

PART II - OTHER INFORMATION

There are no information not previously reported in a report on SEC Form 17-C that will be reported under this section.

The Company and its subsidiaries have neither issued nor invested in any financial instruments or complex foreign securities that will make them susceptible to the effects of the current global financial condition. They have neither foreign currency denominated nor local peso-denominated loans. The Company's financial risk exposure is limited to its investments in the local equities market reported as "Financial Assets at Fair Value Through Profit and Loss" in its Balance Sheet. But this exposure is insignificant being less than one percent of the Company's total asset base. Moreover, these investments in the local stock market are always marked to market thus reflecting the most verifiable values available.

The Company's risk management policies are religiously observed and fair values of investments are reviewed by the Executive Committee on a weekly basis.

Management has no known trends, demands, commitments, events or uncertainties in the present operations of the Company that is likely to result in the Company's liquidity increasing or decreasing in any material way nor it is aware of any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation and there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligation), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

As of this report, the Company has no material commitment for capital expenditure. Management is not aware of any trends, events or uncertainties that have or will have material impact on net sales or revenues or income from continuing operations neither of its operating subsidiaries nor of any seasonal aspects that had a material effect on the financial condition or results of operation of the Company.

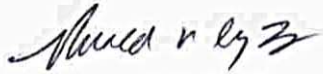
SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer

CROWN EQUITIES, INC.

Name
Signature and Title

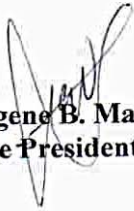


**Romuald U. Dy Tang
President**

Date

November 12, 2010

Principal Financial Officer
Signature and Title



**Eugene B. Macalalag
Vice President – Finance**



Date

November 12, 2010

**CROWN EQUITIES, INC.
and SUBSIDIARIES**

UNAUDITED FINANCIAL STATEMENTS

September 30, 2010

Philippine Pesos

CROWN EQUITIES, INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30 2010 (Unaudited)	December 31 2009 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	114,189,879	76,148,102
Financial assets at fair value through profit and loss	16,736,121	14,750,636
Installment contracts receivable	39,585,693	33,046,206
Receivables and advances - net	63,899,891	75,045,814
Inventories	271,214,225	316,853,261
Other current assets	22,149,810	8,660,332
Total Current Assets	527,775,620	524,504,351
Non-current Assets		
Installment contracts receivable	58,326,150	54,551,459
Investments in and advances to related parties-net	326,952,572	326,934,749
Investment properties-net	680,180,569	663,467,226
Property and equipment, net	252,114,088	243,193,130
Goodwill	21,740,604	21,740,604
Other non-current assets	45,551,732	46,878,564
Total Non-current Assets	1,384,865,715	1,356,765,732
TOTAL ASSETS	1,912,641,335	1,881,270,083
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and other liabilities	127,119,375	120,523,899
Due to related parties	67,083,201	72,153,570
Subscriptions payable	42,158,700	42,158,700
Total Current Liabilities	236,361,276	234,836,169
Retirement Benefit Obligation	4,856,187	3,941,003
Total Liabilities	241,217,463	238,777,172
Equity		
Attributable to parent company shareholders	1,524,451,456	1,498,659,245
Attributable to minority interest	146,972,416	143,833,667
Total Equity	1,671,423,872	1,642,492,912
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	1,912,641,335	1,881,270,083

CROWN EQUITIES, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the third quarter ended		Year-to-date ended	
	September 30 2010 (Unaudited)	September 30 2009 (Unaudited)	September 30 2010 (Unaudited)	September 30 2009 (Unaudited)
REVENUES				
Real estate sales	31,810,665	5,521,480	101,460,398	21,024,706
Sale of medical goods & services	16,509,667	10,571,272	42,501,287	32,161,051
Interest income	2,628,930	1,694,808	8,655,434	5,075,235
Other income	6,607,157	5,660,153	10,321,336	7,099,758
TOTAL	57,556,417	23,447,714	162,938,454	65,360,750
COST & EXPENSES				
Cost of sales and services	19,789,591	5,770,056	62,656,671	26,762,223
Employee compensation & benefits	5,492,086	3,346,450	14,390,013	10,407,394
Professional fees	(595,563)	1,014,290	2,831,944	3,174,355
Commission	2,381,616	430,985	9,552,556	1,969,204
Depreciation and amortization	2,241,819	695,145	6,367,003	2,336,977
Rental	101,638	1,502,494	101,638	4,091,722
Taxes and Licenses	(899,680)	250,144	5,145,902	1,309,147
Impairment loss on assets and other losses	-	-	7,687,541	-
Other operating expenses	8,842,086	5,526,455	16,490,634	8,230,200
TOTAL	37,353,593	18,536,019	125,223,902	58,281,223
INCOME (LOSS) BEFORE TAX	20,202,824	4,911,695	37,714,552	7,079,527
TAX EXPENSE	1,328,464	(31,934)	8,783,592	417,055
NET INCOME (LOSS)	18,874,360	4,943,629	28,930,960	6,662,472
Net Income (Loss) Attributable to:				
Shareholders of Crown Equities, Inc.	18,320,078	5,567,883	25,792,211	6,928,945
Minority Interest	554,282	(624,253)	3,138,749	(266,472)
	18,874,360	4,943,630	28,930,960	6,662,473
Earnings (Loss) Per Share	0.001347	0.000409	0.001896	0.000509

CROWN EQUITIES, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	For the third quarter ended		Year-to-date ended	
	September 30 2010 (Unaudited)	September 30 2009 (Unaudited)	September 30 2010 (Unaudited)	September 30 2009 (Unaudited)
Capital Stock - P0.10 par value				
Authorized - 24,000,000,000 shares				
Subscribed - 13,599,999,960 shares	1,359,999,996	1,359,999,996	1,359,999,996	1,359,999,996
Less subscriptions receivable	29,853,180	29,853,180	29,853,180	29,853,180
	1,330,146,816	1,330,146,816	1,330,146,816	1,330,146,816
Additional paid-in capita	118,570,274	118,570,274	118,570,274	118,570,274
Retained Earnings (Deficit)				
Balance, beginning	57,414,288	50,411,563	49,942,155	49,050,501
Net income(loss)	18,320,078	5,567,883	25,792,211	6,928,945
Balance, end	75,734,366	55,979,446	75,734,366	55,979,446
Minority Interest				
Balance, beginning	146,418,134	142,627,077	143,833,667	142,269,296
Share in net income(loss)	554,282	(624,253)	3,138,749	(266,472)
Balance, end	146,972,416	142,002,824	146,972,416	142,002,824
TOTAL EQUITY	1,671,423,872	1,646,699,360	1,671,423,872	1,646,699,360

CROWN EQUITIES, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the third quarter ended		Year-to-date ended	
	September 30	September 30	September 30	September 30
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities				
Net (loss) income	18,320,078	5,567,883	25,792,211	6,928,945
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Interest income	(2,628,930)	(1,694,808)	(8,655,434)	(5,075,235)
Depreciation and amortization	2,241,819	695,145	6,367,003	2,336,977
Operating Income before working capital changes	17,932,968	4,568,220	23,503,780	4,190,687
Decrease (increase) in receivables and advances	10,128,379	(2,906,631)	11,145,923	7,803,455
Decrease (increase) in other current assets	(789,656)	352,040	(13,489,478)	1,333,020
Decrease (increase) in installment contracts receivable	(16,112,480)	(553,430)	(10,314,178)	(10,632,815)
Decrease (increase) in other non-current assets	(202,950)	(1,895,139)	1,326,832	(6,705,405)
Increase (decrease) in accts. payable and other current liab.	(5,700,050)	(2,806,654)	6,595,476	(49,209,621)
Increase (decrease) in retirement benefit obligation	(979,804)		915,184	
Increase (decrease) in due to related parties	(2,918,606)	-	(5,070,369)	(5,401,762)
Cash generated from (used in) operations	1,357,800	(3,241,594)	14,613,169	(58,622,442)
Net Cash Provided (used) by Operating Activities	1,357,800	(3,241,594)	14,613,169	(58,622,442)
Cash Flows from Investing Activities				
Decrease (increase) in investments in and adv. to related parties	-	253,461	(17,823)	195,382
Decrease (increase) in inventories	13,248,780	(151,412)	45,639,036	8,674,805
Decrease (increase) in investment in financial assets	(2,327,960)	(2,034,735)	(1,985,485)	(6,365,639)
Interest received	2,628,930	1,694,808	8,655,434	5,075,235
Decrease (increase) in property and equipment	(579,889)	(12,359,749)	(15,287,959)	(77,046,108)
Decrease (increase) in investment property	(3,890,811)	(1,815,891)	(16,713,343)	(9,211,404)
Net Cash Used in Investing Activities	9,079,049	(14,413,517)	20,289,860	(78,677,728)
Cash Flows from Financing Activities				
Increase (decrease) in minority interest	554,282	(624,253)	3,138,749	(266,472)
Net Cash Provided by (Used in) Financing Activities	554,282	(624,253)	3,138,749	(266,472)
Decrease in Cash and Cash Equivalents	10,991,130	(18,279,364)	38,041,777	(137,566,642)
Cash and Cash Equivalents, Beginning	103,198,749	92,161,258	76,148,102	211,448,536
Cash and Cash Equivalents, End	114,189,879	73,881,894	114,189,879	73,881,894

CROWN EQUITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2010

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Group's consolidated financial statements comprise the accounts of Crown Equities, Inc., the Parent Company, and its subsidiaries as follows:

CEI Development Corp. (CEIDC);
Crown Central Properties, Corp. (CCPC);
CEI Properties, Inc. (CEIPI);
Ceres Holdings, Inc. (CHI) and its subsidiary, Ceres Property Venture, Inc. (CPVI);
Fort Bonifacio Medical Center, Inc. (FBMCI);
Parkfield Land Holdings, Inc. (PLHI); and
Healthcare Systems of Asia Phils., Inc. (HSAPI) and its subsidiaries Fortmed Medical Clinics Makati, Inc. (FMCMI), Fortmed Medical Clinics Sta. Rosa, Inc. (FMCSRI), HCS Medical Care Center Cavite, Inc. (HMCCCI)

after the elimination of material intercompany transactions. All intercompany balances and transactions with subsidiaries, including income, expenses and dividends, are eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate an impairment is recognized in the consolidated financial statements

The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Minority interests represent the interests not held by the Group in HSAPI, PLHI and CCPC.

The interim financial statements of the Group have been prepared in accordance with *Philippine Financial Reporting Standards* (PFRS) consistently applied by the Group and are consistent with those used in previous year.

2. COMMITMENTS AND CONTINGENCIES

There are commitments, guarantees, litigations and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the accompanying financial statements.

3. OTHER INFORMATION

- a. The Group did not present segment information because, at present, the Group has only two segments in operation. All other segments are not operating to date. Management believes that segment reporting is more appropriate to enterprises offering groups of products and services or operating in different geographical areas that are subject to differing rates of profitability, opportunities for growth, future prospects and risks that are relevant to assessing the risks and return of a diversified or multinational enterprise.
- b. There are neither unusual items affecting the financial statement accounts nor changes in estimates that have material effect in the current interim period.
- c. There has been no issuance, repurchases and repayments of debt and equity securities nor any declaration or payments of dividends.
- d. There have been no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

4. INCOME/(LOSS) PER SHARE

Income per share is computed by dividing net income or loss by the weighted average number of common shares outstanding during the year. Income/(loss) per share amounts were computed as follows:

	As of Sep 30, 2010	As of Sep 30, 2009
Net Income (loss)	P 25,792,211	P 6,928,945
Divided by weighted Average number of Outstanding common shares	<u>13,599,999,960</u>	<u>13,599,999,960</u>
Income (loss) per share	<u>P 0.0018</u>	<u>P 0.0005</u>

CROWN EQUITIES, INC. AND SUBSIDIARIES
Aging of Accounts Receivable
As of September 30, 2010

1. Aging of Accounts Receivable

Type of Accounts receivable	Total	1 mo.	2-3 mos.	4-6 mos.	7 mos. - 1 year	1-2 years	2-5 years	5 yrs. & above	Past due accounts & items in litigation
a. Trade Receivable									
1.) Installment Contract Receivable	97,911,843	1,664,501	1,664,501	2,937,355	3,916,474	20,561,487	39,752,208	27,415,316	-
Less: Allowance for doubtful account	-								-
Net Trade Receivable	97,911,843	-	-	-	-	-	-	-	-
b. Non-Trade Receivable									
1.) Advances to Contractors	12,741,843						12,741,843		
2.) Others	63,899,891			63,899,891					
Sub-total	76,641,735			63,899,891			12,741,843		
Less: Allowance for doubtful account	12,741,843						12,741,843		
Net Non-trade Receivable	63,899,891			63,899,891			-		
Net Receivables (a+b)	161,811,735								

2. Accounts Receivable Description

Type of Receivable	Nature/Description	Collection Period
a. Installment Contract Receivable	Unpaid balance of clients for sales in Palma Real Lots and Cypress units	Various
b. Advances to Contractors	Advance payments for Roadworks & Utilities of the Palma Real Lots	
c. Others	Various receivables	Various

3. Normal operating cycle:

Various