



# CROWN EQUITIES INCORPORATED

June 4, 2013

**PHILIPPINE STOCK EXCHANGE, INC.**

1<sup>st</sup> Floor, PSE Plaza, Ayala Triangle  
Ayala Avenue, Makati City  
1226 Philippines

**Attention: MS. JANET A. ENCARNACION**  
**Head, Disclosure Department**

Gentlemen:

We transmit herewith the AMENDED SEC Form 17-Q of Crown Equities, Inc. with the amendment on the reference date in the discussion under Current Assets, Liabilities and Earnings per Share of Item 2. Management's Discussion and Analysis, as required by the SEC.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Eugene Macalalag', is written over a light blue rectangular background.

**EUGENE MACALALAG**  
Vice President





## 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*

	Mar 2013 (Unaudited)	Dec 2012 (Audited)	Increase/ (Decrease)	%age Change
Cash and cash equivalents	126.85	130.77	(3.92)	-3.00%
Financial assets at fair value thru profit & loss	28.93	23.05	5.88	25.50%
Installment contracts receivable – short-term	17.92	21.40	(3.47)	-16.23%
Receivables and advances	39.38	39.62	(0.24)	-0.60%
Inventories	213.11	214.22	(1.11)	-0.52%
Available-for-sale financial asset	31.90	31.90	-	0.00%
Other current assets	60.52	57.06	3.46	6.06%
Installment contracts receivable – long-term	59.71	55.71	4.00	7.18%
Investments and advances to related parties-net	234.44	234.44	-	0.00%
Investment properties – net	736.35	734.04	2.30	0.31%
Property and equipment - net	302.78	306.31	(3.53)	-1.15%
Goodwill	21.74	21.74	-	0.00%
Other non-current assets	10.01	9.42	0.59	6.23%
<b>TOTAL ASSETS</b>	<b>1,883.64</b>	<b>1,879.69</b>	<b>3.95</b>	<b>0.21%</b>
Accounts payable and other liabilities	110.53	106.11	4.41	4.16%
Due to related parties	43.81	43.81	-	0.00%
Subscriptions payable	42.16	42.16	-	0.00%
Retirement benefit obligation	9.60	9.13	0.46	5.08%
Shareholders' equity	1,536.31	1,537.96	(1.65)	-0.11%
Minority interest	141.23	140.51	0.72	0.51%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,883.64</b>	<b>1,879.69</b>	<b>3.95</b>	<b>0.21%</b>

*Amounts in million pesos, except percentages.*

#### Total Assets

As of March 31, 2013, total assets increased by 0.21% or P3.95 million from P1.88 billion as of December 31, 2012 to P1.88 billion. Total current and non-current assets both increased by 0.11% and 0.25% respectively primarily attributable to the increase in investments in the local equities market, reflected increase in recognized real estate sales on long-term installment contracts receivables and additional capitalized expenditures on investment properties.

#### Current Assets

Total current assets increased by 0.11% or P0.59 million in first quarter of 2013 from P518.02 million as of December, 31, 2012. Cash declined by 3% or P3.92 million as of March 31, 2013 contrary to the increase in financial assets of 25.50% or P5.88 million during the period due to additional investments in the local equities market. Short-term installment contract receivables

decreased by 16.23% or P3.47 million due to continuous collections. On the other hand, other current assets grew by 6.06% or P3.46 million, attributable to input tax.

#### Non-Current Assets

Total non-current assets increased by 0.25% or P3.36 million attributable to increase in long-term installment receivables of 7.18% or P4 million brought about by the growth in recognized real estate sales during the period. Other non-current assets also grew by 6.23% or P0.59 million owing to the increase in deferred assets. In addition, investment properties slightly rose by P2.30 million due to the construction of improvements on the commercial space in Cypress Towers.

#### Liabilities and Stockholders' Equity

Total liabilities increased by P4.88 million or 2.42% to P206.10 million as of March 31, 2013. Accounts payable and other liabilities grew by 4.16% or P4.41 million during the period. This was due to increased obligations to the contractors, accruals of operating cost and expenses, additional customer deposits and output VAT from revenues. Likewise, retirement benefit obligations surged by 5.08% or P0.46 million.

Total equity declined by 0.06% or P0.93 million representing the net income realized during the period.

#### Discussions on Results of Operation

Account	Mar 31 YTD 2013 (Unaudited)	Mar 31 YTD 2012 (Unaudited)
Real estate sales	12.06	5.97
Sales of medical goods & services	14.36	16.84
Rent Income	2.03	2.04
Interest income on installment contracts	2.53	2.72
<b>Total revenue</b>	<b>30.97</b>	<b>27.58</b>
Cost of sales & services	8.99	5.63
<b>Gross Profit</b>	<b>21.99</b>	<b>21.95</b>
Employee compensation and benefits	12.41	12.59
Professional fees	0.64	0.61
Commission	0.82	0.37
Depreciation and amortization	4.06	4.25
Taxes and licenses	1.44	1.53
Other operating expenses	6.93	7.05
<b>Total cost and expenses</b>	<b>26.29</b>	<b>26.40</b>
Other income	4.14	6.88
<b>Income (Loss) before income tax</b>	<b>(0.16)</b>	<b>2.43</b>
Income tax	0.76	1.25
<b>Net income (Loss)</b>	<b>(0.93)</b>	<b>1.18</b>

*Amounts in million pesos.*

Despite increases in realized real estate sales, the corresponding margins resulting from the revenue mix were insufficient to pull up the bottom line for the first three months of the year. Net income fell to a negative P.093 million compared to a positive P1.18 million for the same period in 2012.

Total revenues improved by 12.31% from P27.58 million in the first three months of 2012 to P30.97 million for the same period in 2013. Revenues from sale of medical goods and services still dominated at 46% of total compared to the real estate sales of only 39%. However, while real estate sales doubles during the period to P12.06 million, revenues from sale of medical goods and services

declined by almost 15% of P14.36 million. Moreover, profit margins of house units recognized sold in 2013 were lower than those sold in 2012 resulting to insignificant improvement in total gross profit for the period.

As of March 31, 2013, operating costs and expenses slightly decreased by 0.39% or P0.10 million despite the increase in professional fees and commissions of 4.22% or P0.03 million and 124.74% or P0.46 million respectively. This was driven by the decline in manpower cost of 1.47% or P0.19 million along with depreciation and amortization which dropped by 4.33% or P0.18 million. Likewise, taxes and licenses and other operating expenses decreased by 6.09% and 1.72% respectively.

Other income declined by 39.76% or P2.73 million as a result of lower interest income from placements. Moreover, due to lower taxable earnings, income tax dropped by 38.57% or P0.48 million.

### *Key Performance Indicators*

Indicator	As of		Formula
	Mar 2013	Dec 2012	
Current Ratio	2.64x	2.70x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	0.65x	0.68x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.12x	0.12x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.11x	0.11x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.12x	1.12x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.52x	0.52x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
	YTD		
	Mar 2013	Mar 2012	
Interest Coverage Ratio	nil	nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	(3%)	4.30%	$\frac{\text{Net Income after Minority Interest}}{\text{Net Revenues}}$
Return on Assets	(0.05%)	0.06%	$\frac{\text{Net Income after Minority Interest}}{\text{Average Total Assets}}$
Earnings Per Share	(0.00012)	0.00008	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$

The Company measures its performance based on the utilization of assets and the return on its investments. However, as of March 31, 2013, most of its investments are in ventures that are still at pre-operating stages.

### Liquidity

Current ratio fell to 2.64x as of March 31, 2013 from 2.70x in as of December 31, 2012 mainly due to reduction in cash and continuous collections on short-term installment contract receivables. Cash ratio declined to 0.65x as of March 31, 2013 from 0.68x as of December 31, 2012. Liquidity position remains positive despite the decline in cash ratio.

### Solvency / Leverage

Debt-Equity ratio of the company remained flat at 0.12x as of March 31, 2013 which is an indicative of a low leverage stance, despite a slight increase in various obligations. Furthermore, debt-asset ratio also remained flat at 0.11x. The company has a nil interest coverage ratio as it has not incurred any interest expense for the period.

### Investment Ratio

Investment ratio still stood at 0.52x for the first quarter of 2013 attributable to continued competence of the Corporation's investments.

### Profitability

Net margin significantly decreased to (3%) in the first quarter of 2013 from 4.30% in the same period of 2011, due to lower other income coupled with the increase in cost of real estate sales.

### Return on Assets

Return on assets declined to (0.05%) in March 31, 2013 from 0.06% in March 31, 2012 as a result of lower earnings after minority interest.

### Earnings per Share

Due to reduced profitability for the first quarter of 2012<sup>3</sup>, earnings per share fell to (0.00012)x from 0.00008x in March 31, 2012. The Corporation's number of subscribed share has been fixed for the past four years.

## 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 Statement of Financial Position. But this exposure is insignificant being less than five percent (5%) 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.

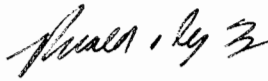
As of this report, the Company has no material commitment for capital expenditure. Management is not aware of any trends, events or uncertainties that have or will have material impact on net sales or revenues or income from continuing operations neither of its operating subsidiaries nor of any seasonal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



**SIGNATURES**

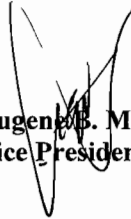
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **CROWN EQUITIES, INC.**



Name **Romuald U. Dy Tang**  
Signature and Title **President**

Date **May 31, 2013**



Principal Financial Officer **Eugene B. Macalalag**  
Signature and Title **Vice President – Finance**

Date **May 31, 2013**

# ANNEX "A"

**CROWN EQUITIES, INC. & SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	March 31 2013 (Unaudited)	December 31 2012 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	126,852,330	130,773,754
Financial assets at fair value through profit and loss	28,927,311	23,050,027
Installment contracts receivable	17,924,849	21,397,925
Receivables and advances - net	39,381,919	39,620,258
Inventories	213,114,351	214,220,576
Available-for-sale financial asset	31,900,907	31,900,907
Other current assets	60,516,090	57,060,858
Total Current Assets	518,617,758	518,024,305
<b>Non-current Assets</b>		
Installment contracts receivable	59,707,629	55,709,800
Investments in and advances to associates - net	234,438,556	234,438,556
Investment properties-net	736,346,953	734,042,641
Property and equipment, net	302,779,591	306,312,951
Goodwill	21,740,604	21,740,604
Other non-current assets	10,005,981	9,419,594
Total Non-current Assets	1,365,019,315	1,361,664,146
<b>TOTAL ASSETS</b>	<b>1,883,637,073</b>	<b>1,879,688,451</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other liabilities	110,527,989	106,114,077
Due to related party	43,812,887	43,812,887
Subscriptions payable	42,158,700	42,158,700
Total Current Liabilities	196,499,575	192,085,664
<b>Retirement Benefit Obligation</b>	<b>9,597,728</b>	<b>9,133,323</b>
Total Liabilities	206,097,303	201,218,987
<b>Equity</b>		
Attributable to parent company shareholders	1,536,306,228	1,537,957,063
Attributable to minority interest	141,233,542	140,512,401
Total Equity	1,677,539,770	1,678,469,464
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>1,883,637,073</b>	<b>1,879,688,451</b>

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

	For the first quarter ended		Year-to-date ended	
	Mar 31	Mar 31	Mar 31	Mar 31
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>REVENUES</b>				
Real estate sales	12,059,275	5,970,460	12,059,275	5,970,460
Sale of medical goods & services	14,359,871	16,844,564	14,359,871	16,844,564
Rent	2,026,565	2,041,590	2,026,565	2,041,590
Interest income on installment contracts receivable	2,526,971	2,722,227	2,526,971	2,722,227
	<b>30,972,683</b>	<b>27,578,841</b>	<b>30,972,683</b>	<b>27,578,841</b>
<b>COST &amp; EXPENSES</b>				
Cost of real estate sales	6,418,298	2,853,553	6,418,298	2,853,553
Cost of goods and services	2,566,817	2,773,852	2,566,817	2,773,852
Employee compensation & benefits	12,407,666	12,593,001	12,407,666	12,593,001
Professional fees	639,134	613,280	639,134	613,280
Commission	820,564	365,114	820,564	365,114
Depreciation and amortization	4,064,389	4,248,324	4,064,389	4,248,324
Taxes and Licenses	1,435,752	1,528,923	1,435,752	1,528,923
Other operating expenses	6,926,565	7,048,022	6,926,565	7,048,022
	<b>35,279,183</b>	<b>32,024,069</b>	<b>35,279,183</b>	<b>32,024,069</b>
<b>OTHER INCOME</b>	<b>4,141,709</b>	6,875,239	<b>4,141,709</b>	6,875,239
<b>INCOME (LOSS) BEFORE TAX</b>	<b>(164,791)</b>	2,430,012	<b>(164,791)</b>	2,430,012
<b>TAX EXPENSE</b>	<b>764,903</b>	1,245,063	<b>764,903</b>	1,245,063
<b>NET INCOME (LOSS)</b>	<b>(929,694)</b>	1,184,949	<b>(929,694)</b>	1,184,949
<b>Net Income (Loss) Attributable to:</b>				
Shareholders of Crown Equities,	(1,650,835)	1,032,535	(1,650,835)	1,032,535
Minority Interest	721,141	152,413	721,141	152,413
	<b>(929,694)</b>	<b>1,184,949</b>	<b>(929,694)</b>	<b>1,184,949</b>
<b>Earnings (Loss) Per Share</b>	<b>(0.000121)</b>	0.000076	<b>(0.000121)</b>	0.000076

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

	For the first quarter ended		Year-to-date ended	
	Mar 31 2013 (Unaudited)	Mar 31 2012 (Unaudited)	Mar 31 2013 (Unaudited)	Mar 31 2012 (Unaudited)
<b>Capital Stock - P0.10 par value</b>				
Authorized - 24,000,000,000 shares				
Subscribed - 13,599,999,960 share	<b>1,359,999,996</b>	1,359,999,996	<b>1,359,999,996</b>	1,359,999,996
Less subscriptions receivable	<b>29,853,180</b>	29,853,180	<b>29,853,180</b>	29,853,180
	<b>1,330,146,816</b>	1,330,146,816	<b>1,330,146,816</b>	1,330,146,816
<b>Additional paid-in capital</b>	<b>118,570,274</b>	118,570,274	<b>118,570,274</b>	118,570,274
<b>Retained Earnings/(Deficit)</b>				
Balance, beginning	<b>89,239,973</b>	80,696,892	<b>89,239,973</b>	80,696,892
Net income(loss)	<b>(1,650,835)</b>	152,413	<b>(1,650,835)</b>	152,413
Balance, end	<b>87,589,138</b>	80,849,306	<b>87,589,138</b>	80,849,306
<b>Minority Interest</b>				
Balance, beginning	<b>140,512,401</b>	135,557,077	<b>140,512,401</b>	135,557,077
Share in net income(loss)	<b>721,141</b>	1,032,535	<b>721,141</b>	1,032,535
Balance, end	<b>141,233,542</b>	136,589,612	<b>141,233,542</b>	136,589,612
<b>TOTAL EQUITY</b>	<b>1,677,539,770</b>	1,666,156,007	<b>1,677,539,770</b>	1,666,156,007

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

	For the first quarter ended		Year-to-date ended	
	Mar 31	Mar 31	Mar 31	Mar 31
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Cash Flows from Operating Activities</b>				
Net (loss) income	(929,694)	1,184,949	(929,694)	1,184,949
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	4,064,389	4,248,324	4,064,389	4,248,324
Unrealized gain in value of marketable securities	(1,921,459)	(3,272,223)	(1,921,459)	(3,272,223)
Operating Income before working capital changes	1,213,236	2,161,049	1,213,236	2,161,049
Decrease (increase) in receivables and advances	238,339	986,194	238,339	986,194
Decrease (increase) in other current assets	(3,455,232)	(15,014,047)	(3,455,232)	(15,014,047)
Decrease (increase) in installment contracts receivable	(524,753)	5,069,650	(524,753)	5,069,650
Decrease (increase) in other non-current assets	(586,387)	(1,509,768)	(586,387)	(1,509,768)
Increase (decrease) in accts. payable and other liab.	4,413,911	(380,736)	4,413,911	(380,736)
Increase (decrease) in retirement benefit obligation	464,405	464,405	464,405	464,405
Cash generated from (used in) operations	1,763,518	(8,223,253)	1,763,518	(8,223,253)
Net Cash Provided (used) by Operating Activities	1,763,518	(8,223,253)	1,763,518	(8,223,253)
<b>Cash Flows from Investing Activities</b>				
Decrease (increase) in financial assets at fair value through profit and loss	(3,955,825)	10,515,785	(3,955,825)	10,515,785
Decrease (increase) in inventories	1,106,225	2,835,267	1,106,225	2,835,267
Decrease (increase) in property and equipment	(531,029)	(882,713)	(531,029)	(882,713)
Decrease (increase) in investment property	(2,304,312)	(101,207,981)	(2,304,312)	(101,207,981)
Net Cash Used in Investing Activities	(5,684,942)	(88,739,642)	(5,684,942)	(88,739,642)
<b>Cash Flows from Financing Activities</b>				
Net Cash Provided by (Used in) Financing Activities	-	-	-	-
Decrease in Cash and Cash Equivalents	(3,921,424)	(96,962,895)	(3,921,424)	(96,962,895)
Cash and Cash Equivalents, Beginning	130,773,754	201,515,638	130,773,754	201,515,638
Cash and Cash Equivalents, End	126,852,330	104,552,743	126,852,330	104,552,743

## CROWN EQUITIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2013

#### (b) 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 subsidiary, Fortmed Medical Clinics Makati, Inc. (FMCMI)

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.

#### (b) 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.

#### (c) OTHER INFORMATION

##### a. Business Segment

For management purposes, the Group is organized into three major business segments, namely real estate, healthcare services, and investment holdings. These are also the basis of the Group in reporting its primary segment information.

(a) Real estate segment involves acquisition of land, planning and developing residential communities such as development and sale of condominium units and parking slots, residential lots, and housing units.

(b) Healthcare services involves in delivering outpatient health care service through ambulatory care centers. This includes the sale of goods and services.

- (c) Investment holding creates project investments and later disposes these investments after creating value. This also includes acquisition and sale of equity securities. Included in this segment are the Group's transactions on investments in associates and trading of financial assets at fair value through profit and loss.

	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
Year to Date March 31, 2013					
REVENUES	20,129	14,414	-	(3,570)	30,973
RESULTS					
Segment results	(2,568)	(2,684)	(13)	2,102	(3,163)
Interest Income					1,077
Change in fair value of financial assets at FVPL					1,921
Income Tax Expense					(765)
Minority Interest					(721)
Net Income					(1,651)
ASSETS AND LIABILITIES					
Segment Assets	3,087,345	65,077	92,997	(1,383,522)	1,861,896
Intangible Assets	-	-	21,741	-	21,741
Total Assets	3,087,345	65,077	114,737	(1,383,522)	1,883,637
Segment Liabilities	385,853	157,351	12,798	(349,904)	206,097
OTHER SEGMENT INFORMATION					
Depreciation	2,712	1,352	-	-	4,064
Capital Expenditure in Investment Property	2,304	-	-	-	2,304
Investments and advances in associates - net	-	-	1,559,010	(1,324,571)	234,439

*Amounts in Php thousands.*

	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
Year to Date March 31, 2012					
REVENUES	10,734	16,845	-	-	27,579
RESULTS					
Segment results	(4,338)	1,415	(13)	141	(2,795)
Interest Income					1,922
Change in fair value of financial assets at FVPL					3,303
Income Tax Expense					(1,245)
Minority Interest					152
Net Income					1,033
ASSETS AND LIABILITIES					
Segment Assets	2,933,786	277,174	131,884	(1,462,186)	1,880,659
Intangible Assets	-	-	21,741	-	21,741
Total Assets	2,933,786	277,174	153,625	(1,462,186)	1,902,399
Segment Liabilities	731,496	242,945	138,132	(867,076)	245,497
OTHER SEGMENT INFORMATION					
Depreciation	2,650	1,598	-	-	4,248
Capital Expenditure in Investment Property	101,208	-	-	-	101,208
Investments and advances in associates - net	1,559,010	-	-	(1,324,571)	234,439

*Amounts in Php thousands.*

- b. PFRS 9, *Financial Instruments (2009)* was issued as the first phase of the PAS 39 replacement project. The chapters of the standard released in 2009 only related to the classification and measurement of financial assets. PFRS 9 (2009) retains but simplifies the mixed



measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and contractual cash flow characteristics of the financial asset. In October 2010, a new version of PFRS 9 *Financial Instruments (2010)* was issued which now includes all the requirements of PFRS 9 (2009) without any amendment. The new version of PFRS 9 also incorporates requirements with respect to the classification and measurement of financial liabilities and derecognition of financial assets and liabilities. The guidance in PAS 39 on impairment of financial assets and hedge accounting continues to apply. The new standard is effective for annual periods beginning on January 1, 2013. Earlier application is permitted. PFRS 9 (2010) supersedes PFRS 9 (2009). However, for annual periods beginning before January 1, 2015, any entity may elect to apply PFRS 9 (2009) rather than PFRS 9 (2010).

The Group will adopt this standard on January 1, 2015.

As of March 31, 2013, based on the Group's assessment, the adoption of PFRS 9 (2009) / PFRS 9 (2010) will not have a substantial impact on the financial position and financial performance of the Group

- c. PAS 27, *Separate Financial Statements (2011)*, supersedes PAS 27 (2008). PAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.

This standard is applicable to the Group and the latter is currently evaluating the impact of this standard based on the audited figures as of December 31, 2012.

- d. PAS 28 *Investments in Associates and Joint Ventures (2011)* supersedes PAS 28 (2008) *Investments in Associates*. PAS 28 (2011) makes the following amendments: (a) PFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale and (b) on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the entity does not remeasure the retained interest.

This standard is not applicable to the Group.

- e. *Offsetting Financial Assets and Financial Liabilities (Amendments to PFRS 7)* includes minimum disclosure requirements related to financial assets and financial liabilities that are offset in the separate statement of financial position; or subject to enforceable master netting arrangements or similar agreements. They include a tabular reconciliation of gross and net amounts of financial assets and financial liabilities, separately showing amounts offset and not offset in the separate statement of financial position.

This standard is applicable to the Group and the latter is currently evaluating the impact of this standard based on the audited figures as of December 31, 2012.

- f. PFRS 10 *Consolidated Financial Statements*, introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees. An investor controls an investee when: (a) it is exposed or has rights to variable returns from its involvement with that investee; (b) it has the ability to affect those returns through its power over that investee; and (c) there is a link between power and returns. Control is re-assessed as facts and circumstances change. PFRS 10 supersedes PAS 27 (2008) *Consolidated and Separate Financial Statements* and Philippine Interpretation SIC-12 *Consolidation - Special Purpose Entities*.

This standard is applicable to the Group and the latter is currently evaluating the impact of this standard based on the audited figures as of December 31, 2012.

- g. PFRS 11 Joint Arrangements, focuses on the rights and obligations of joint arrangements, rather than the legal form (as is currently the case). It distinguishes joint arrangements between joint operations and joint ventures and always requires the equity method for jointly controlled entities that are now called joint ventures; they are stripped of the free choice of using the equity method or proportionate consolidation. PFRS 11 supersedes PAS 31 Interests in Joint Ventures and Philippine Interpretation SIC-13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers.

This standard is not applicable to the Group.

- h. PFRS 12 Disclosure of Interests in Other Entities, contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, aiming to provide information to enable users to evaluate the nature of, and risks associated with, an entity's interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows.

This standard is applicable to the Group and the latter is currently evaluating the impact of this standard based on the audited figures as of December 31, 2012.

- i. PFRS 13 Fair Value Measurement, replaces the fair value measurement guidance contained in individual PFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value when it is required or permitted by other PFRSs. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

This standard is applicable to the Group and the latter is currently evaluating the impact of this standard based on the audited figures as of December 31, 2012.

- j. Amendments to PFRS 1 Government Loans, adds an exception to the retrospective application of IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement, as applicable) and IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. These amendments require first-time adopters to apply the requirements of IAS 20 prospectively to government loans existing at the date of transition to IFRS. However, entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan.

This standard is not applicable to the Group.

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.

**(d) 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 Mar 31, 2013	As of Mar 31, 2012
Net Income (loss)	P (929,694)	P 1,184,949
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 (0.00012)</u>	<u>P 0.00008</u>

CROWN EQUITIES, INC. AND SUBSIDIARIES

Aging of Accounts Receivable

As of March 31, 2013

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	77,632,478	3,488,176	3,631,574	5,406,134	5,398,965	15,189,621	22,862,051	21,655,957	-
2.) Receivable from sale medical goods and services	19,319,084	3,960,412	4,539,985	10,818,687					
Less: Allowance for doubtful account	10,555,243			10,555,243					
Net Trade Receivable	86,396,319	7,448,588	8,171,559	5,669,579	5,398,965	15,189,621	22,862,051	21,655,957	-
b. Non-Trade Receivable	30,618,078				30,618,078				
Sub-total	30,618,078	-	-	-	30,618,078	-	-	-	
Less: Allowance for doubtful account	-								
Net Non-trade Receivable	30,618,078	-	-	-	30,618,078	-	-	-	-
Net Receivables (a+b)	117,014,397								

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. Receivable from sale medical goods and services	Unpaid balance of clients for medical services rendered and medical goods sold	Various
d. Non-Trade Receivable	Various receivables	Various

3. Normal operating cycle:

Various

**CROWN EQUITIES, INC. AND SUBSIDIARIES**  
**Crown Center, 158 Jupiter corner N. Garcia Streets, Makati City**  
**SCHEDULE OF PHILIPPINE FINANCIAL REPORTING STANDARDS AND**  
**INTERPRETATIONS**

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as at December 31, 2012		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>Framework for the Preparation and Presentation of Financial Statements</b> Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
<b>PFRSs Practice Statement Management Commentary</b>			✓	
<b>Philippine Financial Reporting Standards</b>				
<b>PFRS 1 (Revised)</b>	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
<b>PFRS 2</b>	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
<b>PFRS 3 (Revised)</b>	Business Combinations	✓		
<b>PFRS 4</b>	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
<b>PFRS 5</b>	Non-current Assets Held for Sale and Discontinued Operations			✓
<b>PFRS 6</b>	Exploration for and Evaluation of Mineral Resources			✓
<b>PFRS 7</b>	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective	✓		

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2012</b>		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
	Date and Transition			
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities		✓	
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
<b>PFRS 8</b>	Operating Segments	✓		
<b>PFRS 9</b>	Financial Instruments		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
<b>PFRS 10</b>	Consolidated Financial Statements		✓	
<b>PFRS 11</b>	Joint Arrangements			✓
<b>PFRS 12</b>	Disclosure of Interests in Other Entities		✓	
<b>PFRS 13</b>	Fair Value Measurement		✓	
<b>Philippine Accounting Standards</b>				
<b>PAS 1 (Revised)</b>	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income		✓	
<b>PAS 2</b>	Inventories			✓
<b>PAS 7</b>	Statement of Cash Flows	✓		
<b>PAS 8</b>	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
<b>PAS 10</b>	Events after the Balance Sheet Date	✓		
<b>PAS 11</b>	Construction Contracts			✓
<b>PAS 12</b>	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
<b>PAS 16</b>	Property, Plant and Equipment	✓		
<b>PAS 17</b>	Leases	✓		
<b>PAS 18</b>	Revenue	✓		
<b>PAS 19</b>	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		

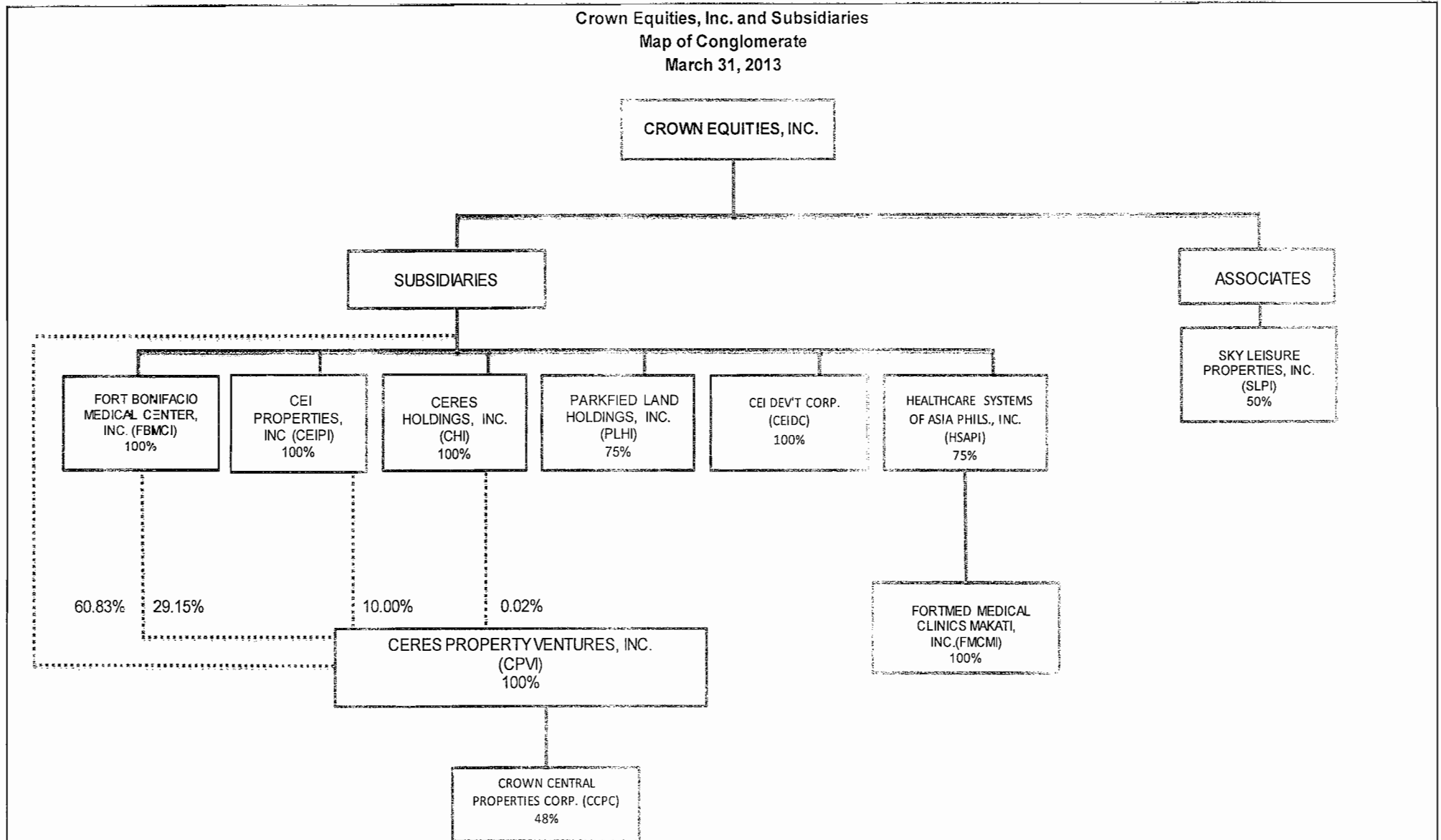
<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as at December 31, 2012		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>PAS 19 (Amended)</b>	Employee Benefits		✓	
<b>PAS 20</b>	Accounting for Government Grants and Disclosure of Government Assistance			✓
<b>PAS 21</b>	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
<b>PAS 23 (Revised)</b>	Borrowing Costs	✓		
<b>PAS 24 (Revised)</b>	Related Party Disclosures	✓		
<b>PAS 26</b>	Accounting and Reporting by Retirement Benefit Plans			✓
<b>PAS 27</b>	Consolidated and Separate Financial Statements	✓		
<b>PAS 28 (Amended)</b>	Investments in Associates and Joint Ventures			✓
<b>PAS 29</b>	Financial Reporting in Hyperinflationary Economies			✓
<b>PAS 31</b>	Interests in Joint Ventures			✓
<b>PAS 32</b>	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities		✓	
<b>PAS 33</b>	Earnings per Share	✓		
<b>PAS 34</b>	Interim Financial Reporting			✓
<b>PAS 36</b>	Impairment of Assets	✓		
<b>PAS 37</b>	Provisions, Contingent Liabilities and Contingent Assets	✓		
<b>PAS 38</b>	Intangible Assets			✓
<b>PAS 39</b>	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial			✓

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2012</b>		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
	Guarantee Contracts			
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition\	✓		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
<b>PAS 40</b>	Investment Property	✓		
<b>PAS 41</b>	Agriculture			✓
<b>Philippine Interpretations</b>				
<b>IFRIC 1</b>	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
<b>IFRIC 2</b>	Members' Share in Co-operative Entities and Similar Instruments			✓
<b>IFRIC 4</b>	Determining Whether an Arrangement Contains a Lease	✓		
<b>IFRIC 5</b>	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
<b>IFRIC 6</b>	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
<b>IFRIC 7</b>	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
<b>IFRIC 8</b>	<i>Scope of PFRS 2</i>			✓
<b>IFRIC 9</b>	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
<b>IFRIC 10</b>	<i>Interim Financial Reporting and Impairment</i>			✓
<b>IFRIC 11</b>	PFRS 2- Group and Treasury Share Transactions			✓
<b>IFRIC 12</b>	Service Concession Arrangements			✓
<b>IFRIC 13</b>	Customer Loyalty Programmes			✓
<b>IFRIC 14</b>	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
<b>IFRIC 16</b>	Hedges of a Net Investment in a Foreign Operation			✓
<b>IFRIC 17</b>	Distributions of Non-cash Assets to Owners			✓



<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2012</b>		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>IFRIC 18</b>	Transfers of Assets from Customers			✓
<b>IFRIC 19</b>	Extinguishing Financial Liabilities with Equity Instruments			✓
<b>IFRIC 20</b>	Stripping Costs in the Production Phase of a Surface Mine			✓
<b>SIC-7</b>	Introduction of the Euro			✓
<b>SIC-10</b>	Government Assistance - No Specific Relation to Operating Activities			✓
<b>SIC-12</b>	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
<b>SIC-13</b>	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
<b>SIC-15</b>	Operating Leases - Incentives			✓
<b>SIC-21</b>	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
<b>SIC-25</b>	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
<b>SIC-27</b>	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
<b>SIC-29</b>	Service Concession Arrangements: Disclosures.			✓
<b>SIC-31</b>	Revenue - Barter Transactions Involving Advertising Services			✓
<b>SIC-32</b>	Intangible Assets - Web Site Costs			✓

**Crown Equities, Inc. and Subsidiaries**  
**Map of Conglomerate**  
**March 31, 2013**



**Crown Equities, Inc.**  
**Crown Center, 158 Jupiter corner N. Garcia Streets, Makati City**  
**SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS**  
**AVAILABLE FOR DIVIDEND DECLARATION**

*((Figures based on functional  
currency of unaudited financial  
statements as of and for the period  
ended March 31, 2013))*

<b>Unappropriated Retained Earnings, beginning</b>		<b>54,520,088</b>
<b>Net income based on the face of AFS</b>	4,958,036	
<b>Less: Non-actual/unrealized income net of tax</b>		
Fair value adjustments (M2M gains)	1,921,459	
<b>Net income Actual/Realized</b>		<b>3,036,577</b>
<b>TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND</b>		<b>P57,556,665</b>

Crown Equities, Inc.  
Financial Soundness Indicator  
March 31, 2013

Indicator	As of		Formula
	Mar 2013	Dec 2012	
Current Ratio	2.64x	2.70x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	0.65x	0.68x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.12x	0.12x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Debt-Asset Ratio	0.11x	0.11x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.12x	1.12x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.52x	0.52x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
	YTD		
	Mar 2013	Mar 2012	
Interest Coverage Ratio	nil	nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	nil	nil	$\frac{\text{Net Income after Minority Interest}}{\text{Net Revenues}}$
Return on Assets	(3%)	4.30%	$\frac{\text{Net Income after Minority Interest}}{\text{Average Total Assets}}$
Earnings Per Share	(0.05%)	0.06%	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$