

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: March 31, 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: 4th Floor Crown Center 158 Jupiter Street Corner N. Garcia, Makati City Postal Code: 1209
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

	March 2010 (Unaudited)	Dec 2009 (Audited)	Increase/ (Decrease)	%age Change
Cash and cash equivalents	71.96	76.15	-4.19	-5.50%
Financial assets at fair value thru profit & loss	14.52	14.75	-0.23	-1.56%
Installment contracts receivable	34.01	33.05	0.96	2.90%
Receivables and advances	75.83	75.04	0.79	1.05%
Inventories	315.11	316.85	-1.74	-0.55%
Other current assets	9.70	8.67	1.03	11.88%
Non-current receivables	57.44	54.55	2.89	5.30%
Investments and advances to related parties-net	335.62	335.62	0.00	0.00%
Investment properties – net	656.95	656.27	0.68	0.10%
Property and equipment - net	245.98	243.19	2.79	1.15%
Goodwill	21.74	21.74	0.00	0.00%
Other non-current assets	42.25	46.88	-4.63	-9.88%
TOTAL ASSETS	1,881.11	1,882.76	-1.65	-0.09%
Accounts payable and other liabilities	112.92	114.83	-1.91	-1.66%
Due to related parties	80.20	80.20	0.00	0.00%
Subscriptions payable	42.16	42.16	0.00	0.00%
Retirement benefit obligation	3.94	3.94	0.00	0.00%
Shareholders' equity	1,498.60	1,498.02	0.58	0.04%
Minority interest	143.29	143.61	-0.32	-0.22%
TOTAL LIABILITIES & EQUITY	1,881.11	1,882.76	-1.65	-0.09%

Amounts in million pesos, except percentages.

Total Assets

Total assets did not post a significant change during the first quarter of 2010 from P1.883 billion as of December 31, 2009 to P1.881 billion as of March 31, 2010. The decrease in total assets amounting to P1.65 million is largely attributed to the amount of cash used for payment of liabilities.

Current Assets

Total current assets declined by P3.39 million from P524.50 million as of December 31, 2009 to P521.12 million as of March 31, 2010. This was largely due to the decline in the level of

cash and cash equivalent of P 4.19 million during the first quarter of 2010. The amount of cash was used to finance additional cost of building amounting to P2.89 million. The cash was also used to pay off short-term liabilities incurred for operating activities amounting to P1.91 million. Inventories, which pertain to the cost of saleable condominium units and lots and medical supplies, declined by P1.74 million resulting from sales during the period.

On the other hand, other current assets increased by P1.03 million due mainly to the prepaid expenses while short-term installment contract receivables increased by P0.96 million as a result of real estate sales realized during the period.

Non-Current Assets

Total non-current assets increased by P1.74 million from P1.358 billion as of December 31, 2009 to P1.360 billion as of March 31, 2010. This was brought mainly by the increase in long-term installment contract receivable amounting to P2.89 million arising from sales of real estate. Property and equipment increased by P2.79 million representing additional construction works on the building.

Liabilities and Stockholders' Equity

Total liabilities decreased by P1.91 million from P241.13 million as of December 31, 2009 to P239.22 million as of March 31, 2010. This was due to payments made for short-term liabilities incurred for operating activities

Total equity increased by P0.26 million to P1.641 billion as of March 31, 2010 representing net income realized during the first quarter of 2010.

Discussions on Results of Operation

Account (P'000'000)	March 31 YTD 2010 (Unaudited)	March 31 YTD 2009 (Unaudited)
Real estate sales	4.86	0.35
Sale of medical goods & services	13.74	10.67
Interest income	0.01	2.42
Other income	1.37	0.90
Cost of sales & services	7.54	3.45
Employee compensation and benefits	3.72	3.54
Operating costs and other expenses	8.46	12.27
Net income (loss)	0.26	(4.92)

The bottom line improved significantly from a net loss of P4.92 million for the first quarter of 2009 to a net income of P0.26 million for the same period in 2010. This was the result of the increase in revenue from both the real estate and healthcare operations coupled by a decrease in costs and expenses in 2010.

Total revenue increased by 39% or P5.64 million from P14.34 million for the quarter ended March 31, 2009 to P19.98 million for the quarter ended March 31, 2010. This was the result of increase in sales of condominium units amounting to P4.51 million. Revenue earned from sale of medical goods and rendering of medical services increased by P3.07 million. On the other hand, interest income declined by P2.41 million as a result of the corresponding decline in the level of cash and cash equivalents.

Total costs and expenses is lower by 2% or P0.40 million from P19.26 million for the quarter ended March 31, 2009 to P18.86 million for the quarter ended March 31, 2010. Generally, this is due to the management's continuous effort to minimize operating costs and expenses. Rent expense incurred during the first quarter of 2010 is lower by P2.79 million compared to the same period in 2009 as the result of the transfer of the healthcare operation's clinics to the newly constructed building owned by the Company. Other costs such as professional fees and commissions also declined during the period. Cost of sales and services for the first quarter of 2010 amounted to P7.54 million resulting from the corresponding increase in sales.

Key Performance Indicators

Indicator	As of		Formula
	Mar 2010	Dec 2009	
Investments Ratio	0.53	0.53	$\frac{\text{Total Investment and Advances}}{\text{Total Assets}}$
Current Ratio	2.21	2.21	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt Ratio	0.13	0.13	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
	Year to date		
	Mar 2010	Mar 2009	
Return on Assets	0.001	(0.003)	$\frac{\text{EBIT}}{\text{Total Assets}}$
Income/ (Loss) Per Share	0.00004	(0.0003)	$\frac{\text{Net Income}}{\text{Total Shares Subscribed}}$

The Company measures its performance based on the utilization of assets and the return on its investments. However, as of March 31, 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 post any change from the period as of December 31, 2009 to March 31, 2010. There were no additional investments made during the period.

Due to the minimal change in current assets and current liabilities since the end of 2009, current ratio remained at 2.21 as of the end of the third quarter of 2010. Also, due to the minimal change in total assets and total liabilities, debt ratio remained at 0.13 as of the end of the third quarter of 2010.

Since the Group realized a net income from operations during the period, return on assets registered 0.001 in March 2010 compared to a negative return on assets of 0.003 for March 2010. Consequently, on a per share basis, the Company registered a net income of P0.00004 for the period ended March 31, 2010 compared to a net loss of P0.0003 for the same period last year.

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 **George L. Go**
Chairman of the Board
and President

Date **April 28, 2010**

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

Date **April 28, 2010**

**CROWN EQUITIES, INC.
and SUBSIDIARIES**

UNAUDITED FINANCIAL STATEMENTS

March 31, 2010

Philippine Pesos

CROWN EQUITIES, INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31 2010 (Unaudited)	December 31 2009 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	71,956,990	76,148,102
Financial assets at fair value through profit and loss	14,515,538	14,750,636
Installment contracts receivable	34,008,365	33,046,206
Receivables and advances - net	75,827,310	75,038,518
Inventories	315,110,144	316,853,261
Other current assets	9,700,910	8,667,628
Total Current Assets	521,119,257	524,504,351
Non-current Assets		
Installment contracts receivable	57,440,744	54,551,459
Investments in and advances to related parties-net	335,624,568	335,624,568
Investment properties-net	656,945,648	656,266,314
Property and equipment, net	245,979,338	243,193,130
Goodwill	21,740,604	21,740,604
Other non-current assets	42,264,614	46,878,564
Total Non-current Assets	1,359,995,516	1,358,254,639
TOTAL ASSETS	1,881,114,773	1,882,758,990
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and other liabilities	112,927,086	114,831,250
Due to related parties	80,202,613	80,202,613
Subscriptions payable	42,158,700	42,158,700
Total Current Liabilities	235,288,399	237,192,563
Retirement Benefit Obligation	3,941,003	3,941,003
Total Liabilities	239,229,401	241,133,566
Equity		
Attributable to parent company shareholders	1,498,595,913	1,498,017,304
Attributable to minority interest	143,289,458	143,608,120
Total Equity	1,641,885,371	1,641,625,424
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	1,881,114,773	1,882,758,990

CROWN EQUITIES, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	For the third quarter ended		Year-to-date ended	
	March 31 2010 (Unaudited)	March 31 2009 (Unaudited)	March 31 2010 (Unaudited)	March 31 2009 (Unaudited)
REVENUES				
Real estate sales	4,861,666	354,375	4,861,666	354,375
Sale of medical goods & services	13,739,070	10,665,041	13,739,070	10,665,041
Interest income	9,008	2,424,448	9,008	2,424,448
Other income	1,373,030	898,616	1,373,030	898,616
TOTAL	19,982,774	14,342,480	19,982,774	14,342,480
COST & EXPENSES				
Cost of sales and services	7,539,960	3,446,579	7,539,960	3,446,579
Employee compensation & benefits	3,721,172	3,537,981	3,721,172	3,537,981
Professional fees	1,116,532	2,140,516	1,116,532	2,140,516
Commission	740,873	1,494,202	740,873	1,494,202
Depreciation and amortization	1,215,612	1,345,188	1,215,612	1,345,188
Rental	311,964	3,102,329	311,964	3,102,329
Taxes and Licenses	475,974	833,750	475,974	833,750
Impairment loss on assets and other losses	-	-	-	-
Other operating expenses	3,735,065	3,359,428	3,735,065	3,359,428
TOTAL	18,857,152	19,259,973	18,857,152	19,259,973
INCOME (LOSS) BEFORE TAX	1,125,622	(4,917,493)	1,125,622	(4,917,493)
TAX EXPENSE	865,674	-	865,674	-
NET INCOME (LOSS)	259,947	(4,917,493)	259,947	(4,917,493)
Net Income (Loss) Attributable to:				
Shareholders of Crown Equities, Inc.	578,609	(4,109,011)	578,609	(4,109,011)
Minority Interest	(318,662)	(808,482)	(318,662)	(808,482)
	259,947	(4,917,493)	259,947	(4,917,493)
Earnings (Loss) Per Share	0.000043	(0.000302)	0.000043	(0.000302)

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

	For the third quarter ended		Year to date	
	March 31 2010 (Unaudited)	March 31 2009 (Unaudited)	March 31 2010 (Unaudited)	March 31 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 capital	118,570,274	118,570,274	118,570,274	118,570,274
Retained Earnings/(Deficit)				
Balance, beginning	49,300,214	40,050,501	49,300,214	40,050,501
Net income(loss)	578,609	(4,109,011)	578,609	(4,109,011)
Balance, end	49,878,823	35,941,490	49,878,823	35,941,490
Minority Interest				
Balance, beginning	143,608,120	142,269,296	143,608,120	142,269,296
Share in net income(loss)	(318,662)	(808,482)	(318,662)	(808,482)
Balance, end	143,289,458	141,460,814	143,289,458	141,460,814
TOTAL EQUITY	1,641,885,371	1,626,119,394	1,641,885,371	1,626,119,394

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

	For the third quarter ended		Year-to-date ended	
	March 31	March 31	March 31	March 31
	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities				
Net (loss) income	578,609	(4,109,011)	578,609	(4,109,011)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Interest income	(9,008)	(2,424,448)	(9,008)	(2,424,448)
Depreciation and amortization	1,215,612	1,345,188	1,215,612	1,345,188
Operating Income before working capital changes	1,785,213	(5,188,271)	1,785,213	(5,188,271)
Decrease (increase) in receivables and advances	(788,792)	7,771,275	(788,792)	7,771,275
Decrease (increase) in other current assets	(1,033,282)	(255,800)	(1,033,282)	(255,800)
Decrease (increase) in installment contracts receivable	(3,851,444)	(287,831)	(3,851,444)	(287,831)
Decrease (increase) in other non-current assets	4,613,950	(4,723,986)	4,613,950	(4,723,986)
Increase (decrease) in accts. payable and other current liab.	(1,904,164)	(15,459,741)	(1,904,164)	(15,459,741)
Increase (decrease) in due to related parties	-	(2,901,702)	-	(2,901,702)
Cash generated from (used in) operations	(1,178,519)	(21,046,056)	(1,178,519)	(21,046,056)
Cash paid for income taxes	-	-	-	-
Net Cash Provided (used) by Operating Activities	(1,178,519)	(21,046,056)	(1,178,519)	(21,046,056)
Cash Flows from Investing Activities				
Decrease (increase) in investments in and adv. to related parties	-	(2,159,765)	-	(2,159,765)
Decrease (increase) in inventories	1,743,117	239,497	1,743,117	239,497
Decrease (increase) in investment in financial assets	235,098	(653,925)	235,098	(653,925)
Interest received	9,008	2,424,448	9,008	2,424,448
Decrease (increase) in property and equipment	(4,001,820)	(32,008,175)	(4,001,820)	(32,008,175)
Decrease (increase) in investment property	(679,334)	(2,568,718)	(679,334)	(2,568,718)
Net Cash Used in Investing Activities	(2,693,931)	(34,726,638)	(2,693,931)	(34,726,638)
Cash Flows from Financing Activities				
Increase (decrease) in minority interest	(318,662)	(808,482)	(318,662)	(808,482)
Net Cash Provided by (Used in) Financing Activities	(318,662)	(808,482)	(318,662)	(808,482)
Decrease in Cash and Cash Equivalents	(4,191,112)	(56,581,176)	(4,191,112)	(56,581,176)
Cash and Cash Equivalents, Beginning	76,148,102	211,448,536	76,148,102	211,448,536
Cash and Cash Equivalents, End	71,956,990	154,867,360	71,956,990	154,867,360

CROWN EQUITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 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 March 31, 2010	As of March 31, 2009
Net Income (loss)	P 578,609	P (4,109,011)
Divided by weighted Average number of Outstanding common shares	13,599,999,960	13,599,999,960
Income (loss) per share	P 0.000043	P (0.000302)

CROWN EQUITIES, INC. AND SUBSIDIARIES
Aging of Accounts Receivable
As of March 31, 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	91,449,108.74	2,541,685.73	2,751,295.91	4,068,016.74	7,698,942.83	22,796,485.29	26,419,062.14	25,173,620.10	-
Less: Allowance for doubtful account	-								
Net Trade Receivable	91,449,108.74	2,541,685.73	2,751,295.91	4,068,016.74	7,698,942.83	22,796,485.29	26,419,062.14	25,173,620.10	-
b. Non-Trade Receivable									
1.) Advances to Contractors	12,741,843.16						12,741,843.16		
2.) Others	75,827,310.28			75,827,310.28					
Sub-total	88,569,153.44			75,827,310.28			12,741,843.16		
Less: Allowance for doubtful account	12,741,843.16			-			12,741,843.16		
Net Non-trade Receivable	75,827,310.28			75,827,310.28			-		
Net Receivables (a+b)	167,276,419.01								

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