COVER SHEET

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

(Company's Full Name)

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A	I	R		M	A	K	A	T	I		C	I	T	Y									

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

Atty. Gino Paulo O. Uy
Contact Person

(02) 8687 1195
Company Telephone Number

1	**2**		**3**	**1**

Month *Day*
Fiscal Year

DEFINITIVE INFORMATION STATEMENT
FORM TYPE

Every Fourth Tuesday of May
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

CROWN EQUITIES

INCORPORATED

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholder:

Please be advised that **CROWN EQUITIES, INC.** (**CEI**) will hold its annual meeting (**ASM**) of stockholders **VIRTUALLY**[1] on **May 28, 2024** (Tuesday) at 2:00 p.m.

The agenda of the meeting shall be as follows:

1. Call to Order
2. Certification of Notice and Determination of Quorum
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on May 23, 2023
4. President's Report
5. Ratification of all acts of the Board, the Board Committees and Management during their term
6. Declaration of Dividends
7. Election of Directors
8. Appointment of the External Auditor for 2024-2025
9. Other Matters
10. Open Forum
11. Adjournment

Attached is the rationale for the above agenda items for reference.

Stockholders of record as of April 19, 2024 are entitled to notice of, and may attend and/or participate in the ASM, or any adjournment thereof, via proxy and remote communication, and vote *in absentia.*

Should you choose to participate in the ASM via remote communication and to cast your votes *in absentia*, please notify the Office of the Corporate Secretary at **CEI2024ASM@crownequitiesinc.com** and submit the complete supporting documents no later than May 18, 2024. The detailed registration and voting procedures may be accessed at **www.crownequitiesinc.com/2024ASM**, and in the Guidelines for Participation via Remote Communication and Voting in Absentia (the "**Guidelines**") appended to the Information Statement.

In case you wish to appoint a proxy for the meeting, you may accomplish a proxy form (which need not be notarized) together with complete supporting documents indicated in the Guidelines and submit the same to the office of the Corporate Secretary at the 33rd Floor, The Orient Square, F. Ortigas Jr. Road, Ortigas Center, Pasig City via courier delivery **or** by email to **CEI2024ASM@crownequitiesinc.com on or before May 18, 2024**.

[1] Through remote or electronic means of communication

Proxies and supporting documents submitted shall be validated on May 20, 2024 at the 5th Floor Crown Center, 158 Jupiter cor. N. Garcia Streets, Bel-Air, Makati City.

Stockholders who have successfully registered may cast their votes and will be provided the link for the meeting. For complete information on the ASM, please visit **www.crownequitiesinc.com/2024ASM**.

Your attendance is earnestly requested.

MARK O. VERGARA
Corporate Secretary

Rationale for Agenda Items:

Agenda Item No. 3: Approval of Minutes of the Annual Stockholders' Meeting Held on May 23, 2023

The Minutes of the annual stockholders' meeting held on May 23, 2023 were prepared within the period prescribed by pertinent laws, rules and regulations. The results of the annual stockholders' meeting were also disclosed with The Philippine Stock Exchange, Inc. after the annual meeting. The Board of Directors recommends the shareholders to consider subject minutes for approval on May 28, 2024.

Agenda Item No. 4: Approval of Annual Report for the Year 2023

The Company's 2023 performance results have been duly summarized in the Annual Report, which includes the Audited Financial Statements (**AFS**) of the Company for the year ended 2023. The AFS have been reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditors who expressed an unqualified opinion on the aforementioned financial statements. The Annual Report is posted in the Company's website.

Agenda Item No. 5: General ratification of the acts of the Board of Directors, Board Committees and the Management from the date of the last annual stockholders' meeting up to the date of this meeting

The Company's performance in 2023, as detailed in the Annual Report, is attributed to the strategic directions and key policies set by the Board of Directors which were effectively executed and complied with by management in conformance with good corporate governance and ethical best practices.

Agenda Item No. 6: Declaration of Dividends

Determination of the dividend payout takes into consideration the Company's operating results, cash flows, capital investment needs and debt servicing requirements. This is in the nature of a special dividend taking into account the performance of the Company.

Agenda Item No. 7: Election of Directors for 2024-2025

The Company's Nomination Committee has pre-screened the list of candidates for directors. Their proven competence, expertise and qualifications based on current regulatory standards, will help sustain the Company's solid performance for the benefit of all its shareholders.

Agenda Item No. 8: Appointment of External Auditor

Based on the recommendation of the Audit Committee, the Board will appoint the Company's external auditors for the fiscal year 2024. This is pursuant to the Securities and Exchange Commission's rotation requirement of external auditor every five (5) years under SRC Rule 68 (3)(b)(iv). The external auditor to be appointed is a leading auditing firm in the country and is duly accredited with the SEC.

DEFINITIVE INFORMATION STATEMENT

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

[ ] Preliminary Information Statement

[**X**] Definitive Information Statement

2. Name of Registrant as specified in its charter: **CROWN EQUITIES, INC.**

3. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **39745**

5. BIR Tax Identification Code: **002-837-461**

6. **Crown Center, 158 N. Garcia corner Jupiter Street, Bel Air, Makati City** **1209**
Address of principal office Postal Code

7. Registrant's telephone number, including area code: **(632) 8899-0081, (632) 8899-0455**

8. Date, time and place of the meeting of security holders

May 28, 2024 (Tuesday) at 2:00 PM
The meeting will be conducted virtually and participation for stockholders will be via remote communication. During the meeting, the presiding officer will be at the principal office of the Corporation.

9. Approximate date on which the Information Statement is first to be sent or given to security holders

May 7, 2024

10. *In case of Proxy Solicitations:* (N/A)

Name of Person Filing the Statement/Solicitor: ______________________________

Address and Telephone No.: ______________________________

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	**14,959,999,950**

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes **X** No _______

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange / Common Shares

INFORMATION REQUIRED IN INFORMATION SHEET

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT REQUESTED TO SEND US A PROXY

1. Date, Time, and Place of Meeting of Security Holders

(a) Date, time and place of meeting of security holders

May 28, 2024 (Tuesday) at 2:00 PM
The meeting will be conducted virtually and participation for stockholders will be via remote communication. During the meeting, the presiding officer will be at the principal office of the Corporation.

Complete mailing address of the principal office of the registrant

Crown Center
N. Garcia St. Cor. Jupiter St.
Bel-air, Makati City, 1209

(b) Approximate date on which the Information Statement is first to be sent or given to security holders:

May 7, 2024

2. Dissenter's Right for Appraisal

When a proposed corporate action would involve a substantial and fundamental change in the Corporation in the cases provided by law, a stockholder may exercise his appraisal rights. Pursuant to Section 80 of the Revised Corporation Code of the Philippines, a stockholder has a right to dissent and demand payment of the fair value of his share: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares or authorizing preferences over the outstanding shares or extending or shortening the term of corporate existence; (ii) in case of any sale, lease, mortgage or disposition of all or substantially all of the corporate property or assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The procedure for the exercise of a stockholder's appraisal right as provided in Section 81 of the Revised Corporation Code is as follows:

(1) A stockholder shall have dissented to such corporate action;

(2) Within thirty (30) days after the date on which the vote was taken, the dissenting stockholder shall make a written demand on the Corporation for payment of the fair value of his shares.

Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

(3) Within ten (10) days after demanding payment for his shares, the dissenting stockholder shall submit to the Corporation the certificate(s) of stock representing his shares for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Corporation, terminate his appraisal rights.

(4) No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Corporation consents thereto.

(5) If the corporate action is implemented or effected, the Corporation shall pay to such dissenting stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of a merger if such be the corporate action involved.

(6) If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the dissenting stockholder and the Corporation cannot agree on the fair value of the shares, it shall appraised and determined by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Corporation, and the third by the two (2) thus chosen.

(7) The findings of a majority of the appraisers shall be final, and their award shall be paid by the Corporation within thirty (30) days after such award is made. No payment shall be made to any dissenting stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment.

(8) Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Corporation.

There are no matters to be presented to the stockholders for approval which may give rise to the exercise of a dissenter's right of appraisal.

3. Interest of Certain Persons in or Opposition to Matters to be Acted upon

No directors or officers, nominees for election as directors, and associates of any of the aforementioned persons of the Corporation have any substantial interest in any matter to be acted upon other than the election to office. In addition, no director has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the meeting.

4. Voting Securities and Principal Holders Thereof

There is only one class of capital stock issued and outstanding – common shares.

(a.) The number of shares outstanding and entitled to vote in the stockholders' meeting is 14,959,999,950 shares as of March 31, 2024.

(b.) The record date for purposes of determining stockholders entitled to vote in the meeting is April 19, 2024. A stockholder is entitled to cumulative voting in the election of directors (by which he can cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal) or he may distribute them on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected. There are no conditions precedents for the exercise of the cumulative voting rights in the election of directors.

(c.) Each shareholder holding Common Shares as of April 19, 2024 is entitled to as many votes as there are directors to be elected. Thus, if there are fifteen (15) directors to be elected, each Common Share is entitled to fifteen (15) votes. Such shareholder may cumulate and cast all his votes in favor of one candidate or distribute them among as many candidates as he shall see fit, provided that the total number of votes cast by him does not exceed the number of shares owned by him multiplied by the number of directors to be elected.

(d.) As of March 31, 2024, the number of common shares owned and held by non-Philippine nationals is 117,804,900 shares, representing approximately 0.79% of the total issued and outstanding shares of the Corporation.

(e.) Security Ownership of Certain Record and Beneficial Owners and Management of the Corporation.

Security Ownership of Certain Record and Beneficial Owners

The persons known to the Corporation to be directly or indirectly the record or beneficial owner of more than five (5%) of the Corporation's voting securities as of March 31, 2024 are as follows:

(1) Title of Class	*(2) Name, address of record owner and relationship with Issuer*	*(3) Name of beneficial owner and relationship with record owner*	*(4) Citizenship*	*(5) No. Of Shares held*	*(6) Percent of Ownership*
Common Shares	**PCD Nominee Corp.**[1] 37/F Tower 1 Enterprise Center Ayala Ave. corner Paseo de Roxas, Makati City *Stockholder*	Various shareholders	Filipino	13,985,882,879	93.49%

As of March 31, 2024, the following are known to the Corporation as the PCD participants holding 5% or more of the Corporation's voting securities:

Name	Address	No. of Shares	Percent of Shareholdings
Guild Securities, Inc. Clare D. Alvarez President	Unit 1215 Tower One & Exchange Plaza, Ayala Avenue, Makati City	9,682,278,110	69.23%
Marian Securities, Inc. Richard L. Lee President	Unit 1710-1711, 17th Floor, Philippine Stock Exchange Tower, 5th Avenue cor. 28th Street Bonifacio Global City, Taguig City	1,074,772,600	7.68%
	TOTAL	**10,757,050,710**	76.91%

To the best knowledge of the Corporation, no security holder has created a voting trust for the purpose of conferring upon a trustee the right to vote pertaining to shares of stock of the Corporation.

[1] *PCD Nominee Corp. (PCD), a wholly owned subsidiary of Philippine Central Depository, Inc., is the registered owner of shares in the books of the Corporation's transfer agents in the Philippines. The beneficial owners of such shares are PCD's participants, who hold the shares on their behalf or in behalf of their clients.*

Security Ownership of Management

Security Ownership of Management and Directors as of March 31, 2024 is as follows:

Title of Class	***Names of Beneficial Owner***	***Amount and Nature of Beneficial Ownership***	***Citizenship***	***Percent of Ownership***
	A. **Directors**			
Common Shares	George L. Go	774,638,380 [db1]	Filipino	5.178%
Common Shares	Clare D. Alvarez	663,539,302 [db2]	Filipino	4.435%
Common Shares	Nixon Y. Lim	431,948,000 [d]	Filipino	2.887%
Common Shares	Patrick D. Go	476,408,760 [db3]	Filipino	3.185%
Common Shares	Wilfrido V. Vergara	24,833,600 [db4]	Filipino	0.166%
Common Shares	Ramon A. Recto	11,968,000 [db5]	Filipino	0.080%
Common Shares	Christopher Brian C. Dy	8,582,000 [d]	Filipino	0.057%
Common Shares	Reynaldo V. Reyes	550,000 [db6]	Filipino	0.004%
Common Shares	Manuel E. Dimaculangan	500,000 [db7]	Filipino	0.003%
Common Shares	Conrado G. Marty	88,008 [d]	Filipino	0.001%
Common Shares	Melvin O. Vergara	11,000 [d]	Filipino	nil
Common Shares	Emilio S. De Quiros, Jr.	11,000 [d]	Filipino	nil
Common Shares	Rodolfo B. Fernandez	10,088 [d]	Filipino	nil
	B. Executive Officers			
Common Shares	Romuald Dy Tang	86,992,000 [db8]	Filipino	0.581%
Common Shares	Eugene B. Macalalag	20,000,088 [db9]	Filipino	0.133%
	All Directors and Officers as a Group	2,500,080,226		16.711%

Notes:

[d] – *these are directly owned by the aforementioned director or officer*

[db1] – *132,950,000 of these are registered in one of the PCD member companies but beneficially owned by the director while 623,992,500 are indirectly beneficially owned by the director through Mrs. Rosie D. Go.*

[db2] – *181,412,000 of these are registered in one of the PCD member companies but beneficially owned by the director*

[db3] – *22,536,000 of these are registered in one of the PCD member companies but beneficially owned by the director*

[db4] – *10,000,000 of these are registered in one of the PCD member companies but beneficially owned by the director*

[db5] – *500,000 of these are registered in one of the PCD member companies but beneficially owned by the director*

[db6] – *86,970,000 of these are registered in one of the PCD member companies but beneficially owned by the director*

[db7] – *18,740,000 of these are registered in one of the PCD member companies but beneficially owned by the director*

[db8] – *86,992,000 of these are registered in one of the PCD member companies but beneficially owned by the director*

[db9] – *20,000,088 of these are registered in one of the PCD member companies but beneficially owned by the director*

There are no arrangements that may result in a change in control of the Corporation, nor has there been any change in control since the beginning of the last fiscal year.

5. Directors and Executive Officers

The general management of the Corporation is vested in a board of competent directors, committees and officers, elected in accordance with the Corporation's By-Laws, as amended to date, and its Manual on Corporate Governance ("the Manual"). As required under its Manual, the Corporation has independent members of the Board of Directors. An independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities.

(a) Below is a list of incumbent directors and executive officers of the Corporation and their respective business experiences for the past five (5) years:

Mr. George L. Go, 82 years old, Filipino, is presently the Chairman of the Board of Directors of the Corporation. He has been a Director of the Corporation since 1995. He is also the Chairman of the Nominations Committee and a Member of the Executive Committee, Investment Committee and the Compensation and Remuneration Committee. Mr. Go is also the Chairman of the Board of Healthcare Systems of Asia Philippines, Inc., Fortmed Medical Clinics Makati, Inc. Mr. Go earned his bachelor's degree in Economics from Youngstown University, U.S.A and completed an Advanced Management Program in Harvard Business School, U.S.A.

Mr. Wilfrido V. Vergara, 79 years old, Filipino, has been the Vice Chairman of the Board of Directors of the Corporation since May 2002. He is the Chairman of the Executive Committee, the Investment Committee and the Compensation and Remunerations Committee. Mr. W.V. Vergara is the Chairman of the Board of Directors of Argent Capital Holdings Corporation and also the Vice Chairman of Fortmed Medical Clinics Makati, Inc. and Healthcare Systems Asia Philippines, Inc. He is also a Director of Parkfield Land Holdings, Inc. Mr. Vergara obtained his Bachelor's Degree in Economics from the Ateneo de Manila University.

Mr. Romuald Dy Tang, 72 years old, Filipino, has been a member of the Board of Directors of the Corporation since 2008 and was elected President of the Corporation in May 2010. Mr. Dy Tang is also a Member of the Executive Committee, Nominations Committee, the Compensation and Remuneration Committee and Investment Committee. He is likewise a Director and President of Argent Capital Holdings, Inc. and a member of the Board of Directors of Healthcare Systems of Asia Philippines, FortMED Medical Clinics Makati, Inc. and Parkfield Landholdings, Inc. Mr. Dy Tang earned his Bachelor of Science in Business Administration from De La Salle University, Manila.

Mr. Patrick D. Go, 56 years old, Filipino, has been a Director of the Corporation since 1995. He is the Treasurer and the Compliance Officer of the Corporation. He also serves as the Treasurer of Healthcare Systems of Asia Philippines, Inc., Fortmed Medical Clinics Makati, Inc. He is a director and the Treasurer of Argent Capital Holdings Corp. Mr. Go is an Independent Director of Encash Inc. Prior to that, he was Vice President at Banco De Oro. Mr. Go is a graduated from San Francisco State University, U.S.A in 1992 earning a Bachelor of Science degree in both Finance and Real Estate. He is the son of Mr. George L. Go.

Mr. Eugene B. Macalalag, 56 years old, Filipino, has been a member of the Board of Directors of the Corporation since May 2003. He is the First Vice President of the Corporation. Mr. Macalalag is also the President and Director of Healthcare Systems of Asia Philippines, Inc. and FortMED Medical Clinics Makati, Inc. He is the President of Crown Central Properties Corp. and Parkfield Landholdings, Inc. Mr. Macalalag is a director of Argent Capital Holdings Corporation. He joined Crown Equities, Inc., in April 1996. Mr. Macalalag graduated *Magna cum Laude* from the Divine Word University of Tacloban and holds a Bachelor of Science degree in Commerce – Accounting. He earned his Masters degree in Business Administration from the De La Salle University, Manila.

Mr. Ramon A. Recto 91 years old, Filipino, has been an Independent Director of the Corporation since May 2002. He is a Member of the Audit Committee and the Nominations Committee. Mr. Recto was the President of Marcventures Holdings, Inc. and Lepanto Consolidated Mining Corporation. Mr. Recto obtained both of his Bachelor's Degrees in Electrical Engineering and in Mechanical Engineering from the University of the

Philippines. He also earned his Master's Degree in Industrial Management from the same University.

Mr. Conrado G. Marty 78 years old, Filipino, has been a member of the Board of Directors of the Corporation since 2006. Mr. Marty is also a member of the Audit Committee of the Corporation. He is the President of Universal LMS Finance and Leasing Corporation and is also the Vice Chairman of Hariphil Asia Resources Inc. Mr. Marty holds a Bachelor in Business Administration Major in Accounting from University of the East and is a Certified Public Accountant. He obtained his Master in Business Administration major in Finance from the Wharton School, University of Pennsylvania.

Mr. Manuel E. Dimaculangan, 57 years old, Filipino, serve as an independent director of the corporation since 2022. He is the President and CEO of Pacific World Security and Investigation. Mr. Dimaculangan graduated from University of Sto. Tomas and holds a Bachelor's degree in Architecture.

Mr. Melvin O. Vergara, 52 years old, Filipino, has been a member of the Board of Directors since May 2011. He is also currently a Director of Healthcare Systems of Asia Philippines, Inc. and FortMED Clinics Makati. He was a Consultant of the same company from 2000 to 2002. He earned his Degree in Business Administration from the University of Sto. Tomas. He is the son of Wilfrido V. Vergara.

Mr. Christopher Brian C. Dy, 39 years old, Filipino, is the Assistant Vice President of the Corporation. Mr. Dy has been a member of the Board of Directors of the Corporation since May 2011. He is also the Vice President of Crown Central Properties Corporation. He also served as the purchasing officer of FortMED Medical Clinics in 2010. He took up securities training in Guild Securities, Inc. from 2009 to 2010 and worked for 3M Philippines for the Projections Systems and Optical Systems divisions. He was also a Property Specialist of Ayala Land Premier in 2006. He earned his Bachelor of Science in Management, Major in Management Communications Technology from the Ateneo de Manila University. He is the son of Mr. Romuald U. Dy Tang.

Mr. Nixon Y. Lim, 53 years old, Filipino, graduated B.S Physics at De la Salle University, Manila in 1991. He is currently the Chairman of the Related Party Transaction Committee of the Corporation, a Member of the Board Risk Oversight Committee and Investments Committee. He is the President of Greenstone Packaging Corporation, Lamitek Systems, Inc. and Greenkraft Corporation. In addition, he is also the President of GreenSiam Resources Corporation, Steniel Mindanao Packaging Corporation, Steniel Cavite Packaging Corp., and Chairman and CEO of Steniel Manufacturing Corporation.

Atty. Rodolfo B. Fernandez, 67 years old, Filipino, is an independent director of the Corporation. He is also the Chairman of the Corporate Governance Committee and member of the Audit Committee and Board Risk Oversight Committee. Atty. Fernandez is currently an independent director of Medco Holdings, Inc. and sits in the board of Reference Group Financial Services, Inc. He is also a director and corporate secretary of The Organization of Property Stakeholders. He was formerly Chief Compliance and AMLA Officer of BPI Family Savings Bank, Head of Compliance and Legal of BPI Asset Management and Trust Group (AMTG) and BPI Mutual Fund Companies, Head of the BPI Account Management 4, Chief Legal Counsel of Far East Bank and Trust Co., and Head of Legal and Product Development of FEBTC – Trust Department. An expert and lecturer on estate planning, he obtained his Bachelor of Laws from the UP College of Law and his AB Political Science from the University of Santo Tomas.

Mr. Reynaldo V. Reyes, 81 years old, is an independent director of both the Corporation and Argent Capital Holdings, Inc. He is also a Member of the Corporate Governance Committee, Related Party Transaction Committee, and Investments Committee. Mr. Reyes spent his most productive years as a military serviceman from age 17 to compulsory retirement at age 56. He served as a PAF line pilot, Squadron Commander, Wing Commander and went on to become Air Division Commander stationed in Zamboanga, Mindanao after which he was placed in command of the Western Command (WESCOM) in charge of Palawan and the West Philippine Sea. He had modest exposure in business management while detailed at the Defense Department as head of the Defense Management Division and Deputy Assistant Secretary for Comptrollership. There he served in concurrent capacity as Senior Vice President of the AFP pension fund performing a wide range of functions from lending, treasury management and managing property holdings of the fund. He was a member of the Philippine Stock Exchange from 1999 to 2006, being then the Chairman and President of stock brokerage firm Public Securities Corporation. He was at the same time President and CEO of an investment house, Resources and Investments Corporate House Inc. (RICH). He served as Director of the Securities Clearing Corporation (SCCP), and also as member of the PSE Listing Committee. Mr. Reyes graduated from the Philippine Military Academy in 1964 with a Bachelor's Degree. His in-service career training included courses in Resource Management at the US Naval Post Graduate School in Monterey, USA; Industrial College of the US Armed Forces; Command and Staff Course at the Air University, Montgomery, Alabama, USA and ADMU MBA off-campus course.

Mr. Emilio S. de Quiros, Jr., 75 years old, is an Independent Director of the Corporation. He is also a Member of the Compensation and Remuneration Committee, Board Risk Oversight Committee, Related Party Transaction Committee, and Investments Committee. Mr. De Quiros is also an independent director of Atlas Consolidated Mining and Development Corporation, an independent director of Sunlife Investment Management & Trust Corporation and an Independent Director of Capital Markets Integrity Corporation. He was previously the President and Chief Executive Officer of the Social Security System (SSS) and also served as a Director of Belle Corporation, UnionBank of the Philippines, Philex Mining Corporation and Philhealth Insurance Corporation. Prior to his appointment as President of SSS, he served as Executive Vice President of Bank of the Philippine Islands and President of Ayala Life Insurance Inc., Ayala Plans Inc. and a director of BPI Bancassurance, Inc. Mr. De Quiros graduated from Ateneo de Naga with a Bachelor of Arts in Economics degree (Cum Laude), and holds a Master of Arts in Economics degree from University of the Philippines.

Ms. Clare D. Alvarez, 49 years old, has been a member of the Board of Directors of the Corporation since 2022. She is the President, CEO and Nominee of Guild Securities, Inc. and a Assoc. Director in Globe Telecom, Inc. Ms. Alvarez graduated from University of Asia and the Pacific and holds a bachelor degree in Arts major in Humanities and Business Administration. She obtained her Master's Degree in Business Management from Asian Institute of Management.

Directorships in other reporting companies:

Within the last five (5) years, the following directors are also directors of other reporting companies as listed below:

Mr. Emilio S. De Quiros, Jr., Lead independent director of Atlas Consolidated Mining & Development Corporation.

Mr. Nixon Y. Lim, Chairman, President and CEO of Steniel Manufacturing Corporation.

Atty. Rodolfo B. Fernandez, independent director of Medco Holdings, Inc.

(a) Significant Employees

The Corporation has no employee who is not an executive officer but is expected to make a significant contribution to the business.

(b) Family Relationships

Mr. Patrick Warren D. Go, Compliance Officer and member of the Board of Directors, is the son of Mr. George L. Go, Chairman of the Board of Directors. Mr. Melvin O. Vergara is the son of Mr. Wilfrido V. Vergara, Vice Chairman of the Board of Directors while Mr. Christopher Brian C. Dy is the son of Mr. Romuald U. Dy Tang, President. Aside from the foregoing, no other directors or executive officer are related up to the fourth civil degree either by consanguinity or affinity.

The Corporation has no controlling or parent company.

(c) Involvement in Certain Legal Proceedings

The Corporation has no knowledge of the involvement of the current directors and executive officers, in any legal proceedings as defined in the Securities Regulation Code for the last five years up to the date of this report.

Further, the Corporation is not involved in or aware of any material legal proceedings, tax assessments and tax cases in court or other regulatory bodies as at and for the year ended December 31, 2023, that may significantly affect the Corporation, or any of its subsidiaries or affiliates.

(d) Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are on arm's length basis in a manner similar to transactions with non-related parties.

During the last three years, there were no transactions or series of similar transactions with or involving the Corporation or any of its subsidiaries in which a director, executive officer, nominee for election as a director or stockholder owning ten percent (10%) or more of total outstanding shares and members of their immediate family, had or is to have a direct or indirect material interest.

There are no known related party transactions other than those described in Note 22 (Related Party Transactions) of the Notes to the Consolidated Financial Statements incorporated herein by reference.

(e) The Corporation has no controlling or parent company.

(f) Independent Directors

The independent directors, through the Nomination Committee, are identified, screened, endorsed and nominated for election to the Board of Directors in accordance with Rule 38 of the Securities Regulation Code, as amended ("SRC").

The Nomination Committee, created by the Board under its Corporate Governance Manual, endorsed the following persons for re-election to regular membership in the Board of Directors at the forthcoming annual stockholders' meeting:

Clare D. Alvarez	Patrick Warren D. Go	Ramon A. Recto

Christopher Brian C. Dy	Nixon Y. Lim	Melvin Andrew O. Vergara
Romuald U. Dy Tang	Eugene B. Macalalag	Wilfrido V. Vergara
George L. Go	Conrado G. Marty	

The Nomination Committee also conducted the nomination of independent directors in accordance with SRC Rule 38. The recommendations have been signed by the nominating stockholder together with the acceptance and conformity by the would-be nominees. There were only four (4) nominations made. The Nomination Committee, after pre-screening the qualifications of the nominees, endorsed the re-election of the following incumbent independent directors:

Mr. Emilio S. de Quiros, Jr.
Mr. Manuel E. Dimaculangan
Mr. Rodolfo B. Fernandez
Mr. Reynaldo V. Reyes

as the only and final candidates for Independent Directorship. They were nominated by Mr. Noel Z. Bundalian, a stockholder of the Corporation and to the Corporation's knowledge, there is no relationship between the nominees for independent directors and Mr. Bundalian.

All four nominees for Independent Directorship each has a cumulative term of less than nine (9) years as independent directors of the Corporation, in compliance with SEC Memorandum Circular ('MC') No. 19, Series of 2016.

Pursuant to the SEC Rules on the Nomination and Election of Independent Directors, there will be no more nominations on the floor during the stockholders' meeting as the final list of candidates will be the basis for the election of the four (4) independent directors.

The abovementioned nominated persons will be presented to the Corporation's shareholders for election at the annual stockholders' meeting. Each director shall hold office for one (1) year from the time of his election until his successor is duly elected and qualified. The abovementioned nominated persons will be presented to the Corporation's shareholders for election at the annual stockholders' meeting. The nominated individuals possess all the qualifications and none of the disqualifications provided in the SRC and its Implementing Rules and Regulations.

Further, no director has resigned or declined to stand for re-election to the Board of Directors since the date of the last Annual Shareholders' Meeting because of a disagreement with the Corporation any matter relating to its operations, policies or practices.

The members of the Nomination Committee are as follows:

Mr. George L. Go – Chairman
Mr. Wilfrido V. Vergara – Member
Mr. Romuald U. Dy Tang – Member
Mr. Ramon A. Recto – Member

The members of the Nomination Committee and the other committees are appointed during the organizational board meeting held right after the annual shareholders' meeting.

6. <u>Compensation of Directors and Executive Officers</u>

Board Remuneration:

The Board receives a per diem of P20k per meeting. No other arrangement is made with anyone except that each Board member is entitled to a proportionate share in the profit sharing as declared and as approved by the Board of Directors. There are no outstanding warrants or options held by directors and officers. There are no actions to be taken with regard to election, any bonus or profit-sharing, change in pension/retirement plan, granting of or extension of any options, warrants or rights to purchase any securities.

The Corporation's Executive Officers consist only of the following key personnel: the Chairman, Vice-Chairman, President, First Vice-President and Treasurer.

The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year to the Executive Officers and Directors of the Corporation are as follows:

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS					
Name and Principal Position	Year	Salary/Fees	Bonus	Other Annual Compensation	Total
Compensation of Executive Officers* George L. Go, Chairman Wilfrido V. Vergara, Vice Chairman Romuald U. Dy Tang, President Eugene B. Macalalag, First VP Patrick D. Go, Treasurer	2024 (Est.)	P13.50 million	P5.50 million		P19.00 million
	2023	P10.10 million	P5.50 million		P 15.60 million
	2022	P 9.55 million	P 6.05 million		P 15.60 million
All Other Directors and Officers as a Group	2024 (Est.)	P 3.50 million	P 2.50 million		P 6.00 million
	2023	P 3.20 million	P 2.50 million		P 5.70 million
	2022	P 3.02 million	P 1.70 million		P 4.72 million

** The Chairman, President, First Vice President and Treasurer are the only executive officers of Crown Equities, Inc.*

As provided in the Corporation's by-laws, directors shall receive a reasonable per diem allowance for their attendance at each meeting. Further, as compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Corporation during the preceding year. Such compensation shall be determined and apportioned among the Directors in such manner as the Board may deem proper.

7. Independent Public Accountants

During the annual stockholders meeting held on May 23, 2023, the firm of Reyes Tacandong & Co. was appointed as auditors for the fiscal year 2023. At the annual stockholders' meeting, authorized representatives of Reyes Tacandong & Co. are expected to be present and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

In compliance with SRC Rule 68, as amended par. 3(b)(ix) on the five (5) year rotation of the External Auditor, the Corporation engaged Reyes Tacandong & Co. for the examination of the Corporation's financial statements for the years ended 2023, 2022, 2021, 2020 and 2019. The Corporation is compliant with the rotation requirement of its external auditor as required under SRC Rule 68 (3)(b)(iv) as it will be changing its external auditor for the year 2024.

The Corporation has had no material disagreement with Reyes Tacandong & Co. on any matter of accounting principle or practices or disclosures in the Corporation's financial statements.

During the 2024 annual stockholders' meeting, a new external auditor will be endorsed and recommended to the shareholders to be appointed as the Company's external auditor for the fiscal year 2024.

For the audit of the Corporation's financial statements, the aggregate fee billed by the independent auditors was P1.25 million in 2023, P1.14 million in 2022 and P1.13 million in 2021. There were no other professional fees billed by the independent auditors during the year. The Audit Committee reviews all proposals for services to be rendered by the independent auditor. In the last two (2) years, the Corporation did not engage the independent public accountants for any services other than the regular conduct of independent audit of the year-end financial statements.

The members of the Audit Committee are as follows:

Mr. Conrado G. Marty – Chairman
Mr. Rodolfo B. Fernandez – Member
Mr. Ramon A. Recto – Member

8. <u>Compensation Plans</u>

Stock Options, Warrants or Rights Plan

On May 31, 2002, the stockholders approved a stock option plan for directors and executive officers of the Corporation as may be designated by the Board.

The Corporation's stock option plan entitles, on grant date, the directors and executive officers of the Corporation to purchase shares of stock of the Corporation at par value or book value, whichever is higher. The underlying shares subject to the stock option plan covers 2,400,000,000 common shares representing 10% of the authorized capital stock of the Corporation. The stock option shall be subject to vesting according to such schedule as shall be approved by the BOD, provided that vesting shall lapse after five years from entitlement date, and provided further that with respect to executive officers, vesting shall expire upon their resignation from the Corporation. The number of underlying common shares in respect of outstanding options and/or the exercise price shall be correspondingly adjusted in the event of any stock dividend declaration, stock split, merger, consolidation, or the similar or analogous change in the corporate structure or capitalization of the Group. The terms and conditions of the stock option plan may be amended by the resolution of the BOD, except that any increase in the maximum number of shares or any decrease in the exercise price shall require the approval of stockholders representing at least two-thirds of the outstanding capital stock.

No stock option has been granted from the time the stock option plan was approved.

Description of Corporation's Securities

(a) Common Stock

The shares of the Corporation which are issued and outstanding are common shares having dividend and voting rights. There are no material rights of security holders owning common shares other than those provided by law. There is no current provision in the Articles of Incorporation or By-laws of the Company that would delay, defer, or prevent a change in control of the Corporation.

As amended by the Board of Directors and Stockholders in its meeting held on April 23, 1996 and May 7, 1996, respectively, the Corporation's Articles of Incorporation provides that no holder of any class of shares of the Corporation shall have as such holder, any pre-emptive right to acquire, purchase or subscribe to any share of the capital stock of any class of the Corporation which it may issue or sell whether out of the number of shares authorized or out of shares of the capital stock of any class of the Corporation acquired by it after the issue thereof; nor shall any holder of any class of shares of the Corporation have as such shareholder, any pre-emptive right to acquire, purchase, or subscribe to any obligation which the Corporation may issue or sell that shall be convertible into or exchangeable for any shares of the capital stock of any class of the Corporation or to which shall be attached or appertain any warrant or any instrument that shall confer upon the owner of such obligation, warrant or instrument the right to subscribe to or to acquire or purchase from the Corporation, any share of its capital stock of any class.

There are no other classes of capital stock authorized for issue by the Corporation.

(b) Stock Options

On May 2, 2002, the Board has authorized the implementation of a stock option plan for directors and executive officers of the Corporation as maybe designated by the Board of Directors. Please refer to Item 8 above for the details of the stock option.

(c) Securities subject for Redemption Call

Except in respect of common shares of the Corporation which are the underlying shares for the stock option plan, there are no securities of the Company subject to redemption or call.

9. Authorizations or Issuance of Securities Other Than for Exchange

On September 30, 2019, the Corporation issued stock dividends in the amount of Ten Percent (10%) of the issued and outstanding shares of stock, or one billion, three hundred fifty-nine million, nine hundred ninety-nine thousand, nine hundred ninety (1,359,999,990) shares pursuant to the stock dividend declaration approved by the Corporation on February 26, 2019 and ratified by the stockholders at the annual stockholders' meeting held on May 7, 2019.

10. Modification or Exchange of Securities

No action will be presented for shareholders' approval at this year's annual meeting which involves the modification of any class of the Corporation's securities, or the issuance of one class of the Corporation's securities in exchange for outstanding securities of another class

11. Financial and Other Information

The Consolidated Audited Financial Statements of the Corporation for the year ended December 31, 2023 are attached as Annex A. The Management's Discussion & Analysis is incorporated in the attached Management Report.

Representatives of the Corporation's external auditor, Reyes Tacandong & Co., are expected to be present at the annual stockholders' meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions from stockholders. The Corporation has no material disagreement with Reyes Tacandong & Co., on any matter of accounting principle of practices or disclosures in the Corporation's financial statements.

12. Mergers, Consolidations, Acquisitions, and Similar Matter

No action will be presented for shareholders' approval at this year's annual meeting regarding mergers, consolidations, acquisitions and similar matter.

13. Acquisition and Disposition of Property

No action will be presented for shareholders' approval at this year's annual meeting in respect of any acquisition or disposition of property of the Corporation.

14. Restatement of Accounts

The Corporation is not taking any action which involves the restatement of any of its assets, capital or surplus accounts.

15. Action with Respect to Reports and Other Proposed Action

During the Annual Stockholders' Meeting held on May 23, 2023 via remote communication, a total of 13,411,378,936 shares were present, in person or by proxy, representing approximately 89.65% of the outstanding shares of the Corporation.

The Stockholders approved the Minutes of the Previous Annual Stockholders Meeting held last May 24, 2022, ratified the resolutions passed by its Board of Directors and the President covering the period from May 24, 2022 up to May 23, 2023, and noted the Management and Financial Reports for 2022. The Stockholders likewise cast all their votes equally in favor of the 15 individuals nominated as Directors who shall serve for the ensuing year and until their successors are duly elected and qualified.

The following matters with respect to minutes of the stockholders' meeting of the Company and resolutions adopted by its Board of Directors will be presented for approval during the stockholders' meeting:

a) Minutes of the annual meeting of stockholders held on May 24, 2022, appended to this Information Statement. These minutes fully reflect the proceedings during the meeting, including:

    1) a description of the voting and vote tabulation procedures used in the previous meeting;

    2) a description of the opportunity given to stockholders to ask questions and a record of the questions asked and answers given;

    3) a record of the voting results for each agenda item; and

    4) the list of directors and officers and a description of stockholders who participated in the meeting, certified duly certified to by the Corporate Secretary, and verified and validated by the Company's Stock Transfer Agent, Professional Stock Transfer, Inc.

    These minutes were posted in the Company's website within twenty-four (24) hours from adjournment of the meeting. The office of the Corporate Secretary has in its custody the full list and names of stockholders who participated in meeting.

b) General approval and ratification of the acts of the Board of Directors, its Committees, and the Management during their term of office commencing from the date of the last annual stockholders' meeting up to the date of this year's meeting. These are covered by Resolutions of the Board of Directors and were entered into or made in the ordinary course of business, the significant acts or transactions which are covered by appropriate disclosures with the Securities and Exchange Commission and Philippine Stock Exchange, Inc.

There are no other matters that would require approval of the stockholders.

For the period ended December 31, 2023, there are no known related party transactions other than those described in Note 21 (Related Party Transactions) of the Notes to the Consolidated Financial Statements incorporated herein by reference.

There is likewise no material information on the current stockholders and their voting rights requiring disclosure.

All stockholders as of Record Date are entitled to vote in absentia for this meeting by registering and voting through the Company's secure online voting facility. For the detailed discussion of stockholders' voting rights and voting procedures, please refer to Item 19 (Voting Procedures) and the "Guidelines for Participation via Remote Communication and Voting in Absentia" appended to this Information Statement.

There is no action to be taken with respect to any report of the Corporation or of its directors, officers or committees, except for the approval of the minutes of the previous annual meeting of the Corporation.

At the annual meeting, shareholders will be asked to approve and ratify the acts of the Board of Directors during their term of office. The matters for stockholders' ratification are acts of the Board for the previous year up to the date of the annual meeting which were entered into or made in the ordinary course of business, the significant acts or transactions of which are covered by appropriate disclosures with the Securities and Exchange Commission and The Philippine Stock Exchange, Inc.:

Date of Disclosure	Subject
Feb. 28, 2023	Results of the meeting of the regular meeting of the Board of Crown Equities held on February 28, 2023. 1. Setting the annual stockholders' meeting on May 23, 2023; 2. Setting the record date to April 14, 2023. 3. Preliminary approval of stock dividends declaration, subject to the regulations of the Securities and Exchange Commission and the Exchange.
May 23, 2023	Results of the Annual Stockholders' Meeting and Organizational Board Meeting of Crown Equities held on May 23, 2023 via Remote Communication (Zoom).
May 31, 2023	Submission of the Integrated Annual Corporate Governance Report
February 27, 2024	Results of the meeting of the regular meeting of the Board of Crown Equities held on February 27, 2024. 1. Setting the annual stockholders' meeting on May 28, 2024; 2. Setting the record date to April 19, 2024.

16. <u>Matter Not Required to be Submitted</u>

There is no action to be taken with respect to any matter which is required to be submitted to a vote of security holders.

17. <u>Amendment of Charter, By-Laws or Other Documents</u>

There is no action to be taken with respect to any amendment of the Corporation's Articles of Incorporation, By-Laws and other charter documents which is required to be submitted to a vote of security holders.

18. <u>Other Proposed Actions</u>

Other than the matters indicated in the Notice and Agenda included in this Information Statement, there are no other actions proposed to be taken at the annual meeting.

19. <u>Voting Procedures, Requirement and Method of Counting</u>

The following are observed in the conduct of election, appointment, ratification or approval:

(a.) Manner of Voting. Stockholders of record are entitled to one (1) vote per share.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them in the same principle among as many candidates as he shall see fit.

There is no manner of voting prescribed in the Corporation's Amended By-Laws. Hence, unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands, viva voce, or by balloting. The Corporation's Corporate Secretary shall be authorized to count all votes cast.

(b.) Voting Requirements.

With respect to the election of directors, candidates who received the highest number of votes shall be declared elected. With respect to the ratification of acts of the Board of Directors and Management, the approval of the audited financial statements, the appointment of the independent auditor, and the approval of the minutes of the previous stockholders' meeting, the vote of the stockholders representing majority of the outstanding capital stock entitled to vote and represented in the meeting is required.

With respect to the ratification of the amendments of the Articles of Incorporation pursuant to the extension of the corporate term form another fifty (50) years, the vote of the stockholders representing two-thirds (2/3) of the outstanding capital stock entitled to vote and represented in the meeting is required.

(c.) Method of Counting Votes.

Counting of votes will be done by the Corporate Secretary or his authorized representative(s), with the assistance of the representatives of the stock transfer agent of the Corporation. All votes attaching to the shares of stock, owned by stockholders whose proxies were received by the Corporation will be cast in accordance with the instructions given or authority granted under the proxies where such shares have voting rights.

For this year's Annual Stockholders' Meeting, the Board of Directors approved a resolution allowing the stockholders to participate in the meeting via remote communication and to vote *in absentia*.

Stockholders as of Record Date and their proxy holders who have successfully registered their intention to participate in the annual meeting via remote communication and to vote *in absentia*, duly verified and validated by the Company, shall be allowed to cast their votes on specific agenda items, including the election of directors. Votes will be tabulated and counted at the close of voting for each agenda item during the meeting.

The detailed guidelines for participation and voting for this meeting are set forth in the "Guidelines for Participating via Remote Communication and Voting in Absentia" appended as Schedule "A" to this Information Statement.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Makati on this May 6, 2024 .

CROWN EQUITIES, INC.

MARK O. VERGARA
Corporate Secretary

MANAGEMENT REPORT

REPORT ACCOMPANYING INFORMATION STATEMENT

REQUIRED UNDER SRC RULE 20

(A) Consolidated Audited Financial Statements

The Corporation's consolidated audited financial statements for the period ended December 31, 2023 together with the Statement of Management Responsibility for Financial Statements are attached, and made an integral part thereof

(B) Changes in and Disagreements with Auditor on Accounting and Financial Disclosure

There were no changes in and disagreements with accountants on accounting and financial disclosures. for the recent fiscal year.

(C) Management Discussion and Analysis of Financial Condition and Results of Operation

The Corporation has adopted all the relevant Philippine Financial Reporting Standards (PFRS) in its financial statements. The Corporation's financial statements for 2023 and the comparatives presented for 2022 and 2021 comply with all presentation and disclosure requirements.

Management's discussion of the Corporation's financial condition and results of operation presented below should be read in conjunction with the attached audited consolidated financial statements of the Corporation and its subsidiaries.

(1) Changes in Financial Position and Results of Operations

Financial Condition
Interim Period end March 31, 2024 versus Period end December 31, 2023

ASSETS	March 2024 Unaudited	December 2023 Audited	Increase (Decrease)	% Change
Current Assets				
Cash and cash equivalents	**793,936,465**	785,507,527	**8,428,938**	**1.07%**
Investments in quoted shares	**79,581,535**	85,865,768	**(6,284,234)**	-7.32%
Receivables	**77,014,496**	65,200,713	**11,813,784**	**18.12%**
Inventories	**78,269,943**	77,831,881	**438,062**	**0.56%**
Other current assets	**41,477,005**	41,134,039	**342,966**	**0.83%**
Total Current Assets	**1,070,279,444**	1,055,539,928	**14,739,516**	**1.40%**
Noncurrent Assets				
Receivables	**89,249,697**	91,276,051	**(2,026,354)**	-2.22%
Investment properties	**1,072,297,593**	1,072,639,762	**(342,168)**	-0.03%
Property and equipment	**270,035,751**	271,392,417	**(1,356,666)**	-0.50%
Goodwill	**21,740,604**	21,740,604	-	**0.00%**
Deferred tax assets	**20,745,448**	20,745,448	-	**0.00%**
Other noncurrent assets	**17,445,048**	17,888,476	**(443,428)**	-2.48%
Total Noncurrent Assets	**1,491,514,141**	1,495,682,758	**(4,168,617)**	-0.28%
	2,561,793,585	2,551,222,686	**10,570,899**	**0.41%**

Total assets remained stable with a slight increase to ₱2.56 billion as of the end of the first quarter of 2024 from ₱2.55 billion at year-end 2023.

- Cash increased by ₱8.43 million during the period primarily coming from interest received from installment contracts receivables and interest earned from short-term placements.

- Current receivables increased by 18% to ₱77.01 million due to collectibles from a joint venture account to which collections from real estate buyers are remitted.

- Investment in quoted shares decreased by 7% as a result of unrealized loss from movements in value.

- Non-current receivables decreased by ₱2.03 million due to maturing installment contracts receivables during the period.

- Property and equipment decreased by ₱1.36 million as result of depreciation.

LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**160,054,189**	157,039,145	**3,015,043.61**	**1.92%**
Income tax payable	**1,433,902**	1,162,508	**271,394.33**	**0.00%**
Total Current Liabilities	**161,488,091**	158,201,653	**3,286,438**	**2.08%**
Noncurrent Liabilities				
Net Retirement benefits liability	**28,040,536**	26,979,499	**1,061,038**	**3.93%**
Deferred tax liabilities	**14,721,131**	14,721,131	**-**	**0.00%**
Security deposits	**4,402,933**	4,402,933		**0.00%**
Total Noncurrent Liabilities	**47,164,601**	46,103,563	**1,061,038**	**2.30%**
Total Liabilities	**208,652,692**	204,305,216	**4,347,476**	**2.13%**
Equity				
Capital stock	**1,977,523,246**	1,977,523,246		**0.00%**
Additional paid-in capital	**118,570,274**	118,570,274	**-**	**0.00%**
Retained earnings	**585,944,762**	581,666,853	**4,277,909**	**0.74%**
Other comprehensive income (loss)	**(18,771,021)**	(18,771,021)	**-**	**0.00%**
	2,663,267,261	2,658,989,352	**4,277,909**	**0.16%**
Treasury stock - at cost	**(481,523,251)**	(481,523,251)	**-**	**0.00%**
Equity Attributable to Equity Holders of the Parent Company	**2,181,744,010**	2,177,466,101	**4,277,909**	**0.20%**
Non controlling interests	**171,396,883**	169,451,369	**1,945,514**	**1.15%**
Total Equity	**2,353,140,893**	2,346,917,470	**6,223,423**	**0.27%**
	2,561,793,585	2,551,222,686	**10,570,899**	**0.41%**

Total liabilities increased by ₱4.35 million to ₱208.65 million as of March 31, 2024 from ₱204.31 million as at year-end 2023.

- Accounts and other payables increased by ₱3.02 million due to additional accrued operating expenses and payables to suppliers.

- Accrual of retirement benefit for the period also contributed to the increase in liabilities.

Total equity recorded an increase of ₱ 6.22 million after recognition of income for the first quarter of the year.

Results of Operations
For three months ended March 31, 2024 versus March 31, 2023

	For the period ended 31 March 2024 Unaudited	For the period ended 31 March 2023 Unaudited	Variance	% Variance
REVENUE				
Real estate sales	**4,167,600**	11,395,404	(7,227,804)	-63%
Sale of services	**17,338,244**	18,958,790	(1,620,546)	9%
Interest income from installment contracts receivable	**3,459,453**	4,148,894	(689,441)	-17%
Rental income	**4,135,693**	3,995,816	139,878	4%
Dividend income	**811,169**	1,237,328	(426,159)	-34%
	29,912,159	39,736,232	(9,824,072)	-25%
DIRECT COSTS	**9,900,310**	12,042,219	(2,141,909)	-18%
GROSS INCOME	**20,011,849**	27,694,012	(7,682,163)	-28%
SELLING AND ADMINISTRATIVE EXPENSES	**24,696,101**	24,288,402	407,699	2%
OTHER INCOME (CHARGES) – Net	**12,717,901**	13,163,564	(445,663)	-3%
INCOME BEFORE INCOME TAX	**8,033,650**	16,569,175	(8,535,525)	-52%
PROVISION FOR (BENEFIT FROM) INCOME TAX				
INCOME TAX EXPENSE- NET	**1,810,233**	3,484,686	(1,674,453)	-48%
	1,810,233	3,484,686	(1,674,453)	-48%
NET INCOME	**6,223,416**	13,084,489	(6,861,073)	52%
TOTAL COMPREHENSIVE INCOME	**6,223,416**	13,084,489	(6,861,073)	-52%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	**4,277,909**	10,346,105	(6,068,196)	-59%
Non-controlling interests	**1,945,514**	2,738,384	(792,870)	-29%
	6,223,423	13,084,489	(6,861,066)	-52%

- Total revenues for the first quarter of 2024 amounted to ₱29.91 million.

  - Real estate revenues from sales, interest, and rent accounted for 39% of consolidated revenues. Real estate sales from Palma Real Residential Estates and Cypress Towers declined to ₱4.17 million in 2024 due to lower recognition of ongoing accounts that reached the collection threshold. Interest from installment contracts receivables decreased to ₱3.46 million as contracts mature overtime. Rental income from the lease of office space in Crown Center and lease of units and parking space in Cypress Towers increased by 4% to ₱4.14 million from escalation rates of ongoing lease agreements.

  - Revenues for healthcare services accounted for 58% of consolidated revenues with sale of medical services amounting to ₱17.34 million in the first quarter of 2024. This is a slight decline of 9% due to non-renewal of a few medical services and retainership agreements.

- Despite lower revenues recognized, gross income margin this year was maintained at level comparable to the previous year at 67% in 2024. Consolidated gross income amounted to ₱20.01 million for the first quarter of the current year.

- Other income registered ₱12.72 million, slightly down 3% from last year. This was primarily due to unrealized loss resulting from unfavorable movement in value of investment in quoted shares in the equities market.

- Net income for the first quarter of 2024 amounted to P6.22 million compared to P13.08 million during the same period in 2023.

Calendar Year Ended December 31, 2023 and 2022

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	December 2023 Unaudited	December 2022 Audited	Increase (Decrease)	% Change
Current Assets				
Cash and cash equivalents	**785,507,527**	645,994,640	**139,512,887**	**21.60%**
Receivables	**65,200,713**	71,206,861	**(6,006,148)**	**-8.43%**
Investments in quoted shares	**85,865,768**	161,851,145	**(75,985,377)**	**-46.95%**
Inventories	**77,831,881**	88,990,602	**(11,158,721)**	**-12.54%**
Other current assets	**41,134,039**	40,846,876	**287,163**	**0.70%**
Total Current Assets	**1,055,539,928**	1,008,890,124	46,649,804	**4.62%**
Noncurrent Assets				
Noncurrent portion of installment contracts receivable	**81,243,140**	84,951,745	(3,708,605)	**-4.37%**
Noncurrent portion of loans receivable	**10,032,911**			
Investment properties	**1,072,639,762**	1,070,106,650	2,533,112	**0.24%**
Property and equipment	**271,392,417**	270,121,934	1,270,483	**0.47%**
Goodwill	**21,740,604**	21,740,604	-	**0.00%**
Deferred tax assets	**20,745,448**	21,012,556	(267,108)	**-1.27%**
Other noncurrent assets	**17,888,476**	17,841,253	47,223	**0.26%**
Total Noncurrent Assets	**1,495,682,758**	1,485,774,742	(124,895)	**-0.01%**
	2,551,222,686	2,494,664,866	46,524,909	**1.86%**

Total assets as of year-end 2023 amounted to P2.55 billion consisting of P1.06 billion total current assets and P1.49 billion in non-current assets. Cash constitutes 31% of total assets while Investment Properties makes up 42%.

Next to Cash and Cash Equivalents of P785.5 million, Investment in Quoted Shares is a major component of current assets amounting to P85.9 million. Inventories come in third largest amounting to P77.8 million which is mainly composed of the house units and lot units inventory of Palma Real and a few in Cypress Towers. Receivables of P75.2 million include installment contracts receivable which pertain to real estate sales. These are collectible in various installment periods of between one to 15 years and earn interest at 10% to 16% per annum.

Out of the total P1.49 billion non-current assets, P1.07 billion pertains to investment properties consisting mostly of properties in Taguig, Batangas, and Bulacan.

	December 2023 Unaudited	December 2022 Audited	Increase (Decrease)	% Change
Current Liabilities				
Accounts and other payables	**157,039,145**	156,181,308	**857,837.23**	**0.55%**
Income tax payable	**1,162,508**	1,747,040	**(584,532.00)**	**0.00%**
Total Current Liabilities	**158,201,653**	157,928,348	**273,305.23**	**0.17%**
Noncurrent Liabilities				
Retirement benefits liability	**26,979,499**	23,954,096	**3,025,403**	**12.63%**
Security deposits	**4,402,933**	3,839,825	**563,108**	**14.66%**
Deferred tax liabilities	**14,721,131**	15,375,782	**(654,651)**	**-4.26%**
Total Noncurrent Liabilities	**46,103,563**	43,169,703	**2,933,860**	**6.80%**
Total Liabilities	**204,305,216**	201,098,051	**3,207,165**	**1.59%**
Equity				
Capital stock	**1,977,523,246**	1,977,523,246	**-**	**0.00%**
Additional paid-in capital (APIC)	**118,570,274**	118,570,274	**-**	**0.00%**
Retained earnings	**581,666,853**	542,137,569	**39,529,284**	**7.29%**
Other comprehensive income	**(18,771,021)**	(19,038,931)	**267,910**	**-1.41%**
	2,658,989,352	2,619,192,158	**39,797,194**	**1.52%**
Treasury shares	**(481,523,251)**	(481,523,251)	**-**	**0.00%**
Equity Attributable to Equity Holders of the Parent Compan	**2,177,466,101**	2,137,668,907	**39,797,194**	**1.86%**
Non-controlling interests	**169,451,369**	155,897,908	**13,553,461**	**8.69%**
Total Equity	**2,346,917,470**	2,293,566,815	**53,350,655**	**2.33%**
	2,551,222,686	2,494,664,866	**56,557,820**	**2.27%**

Total liabilities amounted to P204 million of which P157 million represent customers' deposits, closing fees, and trade liabilities including liabilities to doctors, contractors, and suppliers.

There were no other significant movements in the equity accounts during the year except for changes in retained earnings coming from the net income for the year.

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

	For the year ended 31December2023 Audited	For the year ended 31December2022 Audited	Variance	% Variance
REVENUE				
Real estate sales	63,181,118	112,671,264	(49,490,146)	-44%
Sale of services	68,697,706	65,470,038	3,227,668	5%
Interest income from installment contracts	16,170,302	19,571,409	(3,401,107)	-17%
Rental Income	16,622,127	14,455,349	2,166,778	15%
Dividend income	5,757,732	10,611,771	(4,854,039)	-46%
	170,429,003	222,779,831	(52,350,846)	-23%
DIRECT COSTS	53,084,260	70,858,102	(17,773,842)	-25%
GROSS INCOME	117,344,743	151,921,729	(34,576,986)	-23%
SELLING AND ADMINISTRATIVE EXPENSES	98,679,608	104,435,330	(5,755,723)	-6%
OTHER INCOME (CHARGES) – Net	44,332,582	35,622,109	8,710,473	24%
INCOME BEFORE INCOME TAX	62,997,717	83,108,508	(20,110,791)	-24%
PROVISION FOR (BENEFIT FROM) INCOME TAX				
INCOME TAX EXPENSE NET	9,971,483	14,638,863	(4,667,380)	32%
	9,971,483	14,638,863	(4,667,380)	-32%
NET INCOME	53,026,242	68,469,645	(15,443,411)	-23%
OTHER COMPREHENSIVE INCOME				
Remeasurementgain (loss)on retirement benefits	324,267	1,824,004	(1,499,737)	-82%
TOTAL COMPREHENSIVE INCOME	53,350,509	70,293,649	(16,943,140)	-24%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	39,529,218	50,664,302	(11,135,084)	-22%
Non-controlling Interests	13,497,024	17,805,343	(4,308,319)	-24%
	53,026,242	68,469,645	(15,443,403)	-23%

Results of Operation

Total consolidated revenues amounted to P170 million of which P79.4 million or 47% came from realized real estate sales and related interest on installment contracts receivable while P68.7 million or 40% came from sale of medical services. Rental income and dividend income accounted for 9% and 3% of revenues, respectively.

The total revenues for 2023 was lower than that of the previous year. Revenue mix changed during the year with real estate sales decreasing to 44% of total revenue and sale of medical services increased to 5% of total revenue. Rental and dividend income accounted for 11% of total revenue.

Meanwhile, total costs and expenses in 2023 amounted to P151.8 million with direct costs decreasing by 25% to P53 million, owing to volume of real estate sales. Direct costs for real estate sales was at P18 million, 50% decrease from last year while direct costs for services remained the same as last year at P32 million. General operating expenses decreased from P104.4 million to P98.7 million in 2023.

Net other income for 2023 amounted to P44 million including interest income on bank placements amounting to P33.7 million. For 2022, net other income amounted to P35.6 million including interest income on bank placements amounting to P11 million

Net income for the year 2023 amounted to P53 million compared to P68.5 million in the previous year.

Calendar Year Ended December 31, 2022 and 2021

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	December 2022 Audited	December 2021 Audited	Increase (Decrease)	% Change
Current Assets				
Cash and cash equivalents	**645,994,640**	522,714,862	123,279,778	23.58%
Receivables	**71,206,861**	82,984,794	(11,777,933)	-14.19%
Investments in quoted shares	**161,851,145**	216,281,045	(54,429,900)	25.17%
Inventories	**88,990,602**	107,080,805	(18,090,203)	-16.89%
Other current assets	**40,846,876**	46,233,320	(5,386,444)	-11.65%
Total Current Assets	**1,008,890,124**	975,294,826	33,595,298	3.44%
Noncurrent Assets				
Installment contracts receivable - net of current portion	**84,951,745**	77,234,150	7,717,595	9.99%
Investment properties	**1,070,106,650**	1,079,938,683	(9,832,033)	-0.91%
Property and equipment	**270,121,934**	265,161,487	4,960,447	1.87%
Goodwill	**21,740,604**	21,740,604	-	0.00%
Deferred tax assets	**21,012,556**	18,073,281	2,939,275	16.26%
Other noncurrent assets	**17,841,253**	18,216,061	(374,808)	2.06%
Total Noncurrent Assets	**1,485,774,742**	1,480,364,266	5,410,476	0.37%
	2,494,664,866	2,455,659,092	39,005,774	1.59%

Total assets as of year-end 2022 amounted to P2.50 billion consisting of P1.01 billion total current assets and P1.49 billion in non-current assets. Cash constitutes 26% of total assets while Investment Properties makes up 43%.

Next to Cash and Cash Equivalents of P646 million, Investment in Quoted Shares is a major component of current assets amounting to P162 million. Inventories come in third largest amounting to P89 million which is mainly composed of the house units and lot units inventory of Palma Real and a few in Cypress Towers. Receivables of P71 million include installment contracts receivable which pertains to real estate sales. These are collectible in various installment periods of between one to 15 years and earn interest at 10% to 16% per annum.

Out of the total P1.49 billion non-current assets, P1.07 billion pertains to investment properties consisting mostly of properties in Taguig, Batangas, and Bulacan.

	December 2022 Audited	December 2021 Audited	Increase (Decrease)	% Change
Current Liabilities				
Accounts and other payables	**156,181,308**	164,862,976	(8,681,668.00)	-5.27%
Income tax payable	**1,747,040**	1,946,822	(199,782.00)	0.00%
Total Current Liabilities	**157,928,348**	166,809,798	(8,881,450.00)	5.32%
Noncurrent Liabilities				
Retirement benefits liability	**23,954,096**	20,888,556	3,065,540	14.68%
Security deposits	**3,839,825**	3,404,897	434,928	12.77%
Deferred tax liabilities	**15,375,782**	10,128,829	5,246,953	51.80%
Total Noncurrent Liabilities	**43,169,703**	34,422,282	8,747,421	25.41%
Total Liabilities	**201,098,051**	201,232,080	(134,029)	-0.07%
Equity				
Capital stock	**1,977,523,246**	1,977,523,246	-	0.00%
Additional paid-in capital (APIC)	**118,570,274**	118,570,274	-	0.00%
Retained earnings	**542,137,569**	491,473,267	50,664,302	10.31%
Other comprehensive income	**(19,038,931)**	-20,811,579	1,772,648	-8.52%
	2,619,192,158	2,566,755,208	52,436,950	2.04%
Treasury shares	**(481,523,251)**	(481,523,251)		0.00%
Equity Attributable to Equity Holders of the Parent Compa	**2,137,668,907**	2,085,231,957	52,436,950	2.51%
Non-controlling interests	155,897,908	169,195,055	(13,297,147)	-7.86%
Total Equity	**2,293,566,815**	2,254,427,012	39,139,803	1.74%
	2,494,664,866	2,455,659,092	39,005,774	1.59%

Total liabilities amounted to P201 million of which P156 million represent customers' deposits, closing fees, and trade liabilities including liabilities to doctors, contractors, and suppliers.

There were no other significant movements in the equity accounts during the year except for changes in retained earnings coming from the net income for the year.

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

	For the year ended 31December2022 Audited	For the year ended 31December2021 Audited	Variance	% Variance
REVENUE				
Real estate sales	**112,671,264**	110,123,650	2,547,614	2%
Sale of services	**65,470,038**	51,259,195	14,210,843	28%
Interest income from installment contracts receivable	**19,571,409**	20,118,526	(547,117)	-3%
Rental income	**14,455,349**	13,578,759	876,590	6%
Dividend income	**10,611,771**	14,420,616	(3,808,845)	-26%
	222,779,831	209,500,746	13,279,085	6%
DIRECT COSTS	**70,858,102**	65,077,964	5,780,138	9%
GROSS INCOME	**151,921,729**	144,422,782	7,498,947	5%
SELLING AND ADMINISTRATIVE EXPENSES	**104,435,330**	89,644,303	14,791,027	16%
OTHER INCOME (CHARGES) – Net	**35,622,109**	56,379,720	(20,757,611)	-37%
INCOME BEFORE INCOME TAX	**83,108,508**	111,158,199	(28,049,691)	-25%
PROVISION FOR (BENEFIT FROM) INCOME TAX			-	
INCOME TAX EXPENSE- NET	**14,638,863**	16,506,220	(1,867,357)	-11%
	14,638,863	16,506,220	(1,867,357)	-11%
NET INCOME	**68,469,645**	94,651,979	(26,182,334)	-28%
OTHER COMPREHENSIVE INCOME				
Unrealized fair value loss on financial statementsat FVOCI		(32,000,000)		
Remeasurementgain (loss)on retirement benefits, net of tax effect	**1,824,004**	7,248,295	(5,424,291)	-75%
TOTAL COMPREHENSIVE INCOME	**70,293,649**	69,900,274	393,375	1%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	**50,664,302**	75,709,746	(25,045,444)	-33%
Non-controlling interests	**17,805,343**	18,942,234	(1,136,891)	-6%
	68,469,645	94,651,980	(26,182,335)	-28%

Results of Operation

Total consolidated revenues amounted to P223 million of which P132 million or 59% came from realized real estate sales and related interest on installment contracts receivable while P65 million or 29% came from sale of medical services Rental income and dividend income accounted for 6% and 5% of revenues, respectively.

The total revenues for 2022 was higher than that of the previous year. Revenue mix changed during the year with real estate sales decreasing to 51% of total revenue and sale of medical services increased to 29% of total revenue. Rental and dividend income accounted for 11% of total revenue.

Meanwhile, total costs and expenses in 2022 amounted to P175 million with direct costs increasing by 9% to P71 million, owing to higher volume of real estate sales and sale of medical service. Direct costs for real estate sales was at P36 million while direct costs for services increased by 19% to P35 million. General operating expenses increased from P90 million to P104 million in 2022.

Net other income for 2022 amounted to P36 million including interest income on loans and bank placements amounting to P12 million. For 2021, net other income amounted to P56 million including interest income on loans and bank placements amounting to P3.2 million

Net income for the year 2022 amounted to P68.5 million compared to P94.7 million in the previous year.

Calendar Year Ended December 31, 2021 and 2020

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	December 2021 Audited	December 2020 Audited	Increase (Decrease)	% Change
Current Assets				
Cash and cash equivalents	**522,714,862**	441,804,614	**80,910,248**	**18.31%**
Receivables	**82,984,794**	68,118,372	**14,866,422**	**21.82%**
Investments in quoted shares	**216,281,045**	183,126,975	**33,154,070**	**18.10%**
Inventories	**107,080,805**	132,235,440	**(25,154,635)**	**-19.02%**
Other current assets	**46,233,320**	53,138,228	**(6,904,908)**	**-12.99%**
Total Current Assets	**975,294,826**	878,423,629	96,871,197	**11.03%**
Noncurrent Assets				
Installment contracts receivable - net of current portion	**77,234,150**	77,140,160	93,990	**0.12%**
Investment in unquoted shares	**15,344,659**	47,344,659	(32,000,000)	**-67.59%**
Investment properties	**1,079,938,683**	1,081,775,556	(1,836,873)	**-0.17%**
Property and equipment	**265,161,487**	249,772,778	15,388,709	**6.16%**
Goodwill	**21,740,604**	21,740,604	-	**0.00%**
Deferred tax assets	**18,073,281**	25,222,126	(7,148,845)	**-28.34%**
Other noncurrent assets	**2,871,402**	3,390,136	(518,734)	**-15.30%**
Total Noncurrent Assets	**1,480,364,266**	1,506,386,019	(26,021,753)	**-1.73%**
	2,455,659,092	2,384,809,648	70,849,444	**2.97%**

Total assets as of year-end 2021 amounted to P2.46 billion consisting of P975 million total current assets and P1.48 billion in non-current assets. Cash constitutes 21% of total assets while Investment Properties makes up 44%.

Next to Cash and Cash Equivalents of P523 million, Investment in Quoted Shares is a major component of current assets amounting to P216 million. Inventories come in third largest amounting to P107 million which is mainly composed of the house units and lot units inventory of Palma Real and a few in Cypress Towers. Receivables of P83 million include P20 million secured loan to a third party over a 6-month period earning 10% interest per annum.

Out of the total P1.48 billion non-current assets, P1.08 billion pertains to investment properties consisting mostly of properties in Taguig, Batangas, and Bulacan.

	December 2021 Audited	December 2020 Audited	Increase (Decrease)	% Change
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**164,862,976**	149,702,254	**15,160,722**	**10.13%**
Income tax payable	**1,946,822**	-	**1,946,822**	**0.00%**
Total Current Liabilities	**166,809,798**	149,702,254	**17,107,544**	**11.43%**
Noncurrent Liabilities				
Retirement benefits liability	**20,888,556**	24,023,096	**(3,134,540)**	**-13.05%**
Security deposits	**3,404,897**	3,189,580	**215,317**	**6.75%**
Deferred tax liabilities	**10,128,829**	9,867,981	**260,848**	**2.64%**
Total Noncurrent Liabilities	**34,422,282**	37,080,657	**(2,658,375)**	**-7.17%**
Total Liabilities	**201,232,080**	186,782,911	**14,449,169**	**7.74%**
Equity				
Capital stock	**1,977,523,246**	1,977,523,246	**-**	**0.00%**
Additional paid-in capital (APIC)	**118,570,274**	118,570,274	**-**	**0.00%**
Retained earnings	**491,473,267**	415,763,521	**75,709,746**	**18.21%**
Other comprehensive income	**(20,811,579)**	4,214,544	**(25,026,123)**	**-593.80%**
	2,566,755,208	2,516,071,585	**50,683,623**	**2.01%**
Treasury shares	**(481,523,251)**	(481,523,251)	**-**	**0.00%**
Equity Attributable to Equity Holders of the Parent Company	**2,085,231,957**	2,034,548,334	**50,683,623**	**2.49%**
Non-controlling interests	**169,195,055**	163,478,403	**5,716,652**	**3.50%**
Total Equity	**2,254,427,012**	2,198,026,737	**56,400,275**	**2.57%**
	2,455,659,092	2,384,809,648	**70,849,444**	**2.97%**

Total liabilities amounted to P201 million of which P165 million represent customers' deposits, closing fees, and trade liabilities including liabilities to doctors, contractors, and suppliers.

There were no other significant movements in the equity accounts during the year except for changes in retained earnings coming from the net income for the year.

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

	For the year ended 31Dec2021 Audited	For the year ended 31Dec2020 Audited	Variance	% Variance
REVENUE				
Real estate sales	**110,123,650**	88,854,180	21,269,470	24%
Sale of services	**51,259,195**	39,436,127	11,823,068	30%
Interest Income from Installment contracts receivable	**20,118,526**	15,451,922	4,666,604	30%
Rental income	**13,578,759**	13,298,563	280,196	2%
Dividend income	**14,420,616**	14,990,571	(569,955)	-4%
	209,500,746	172,031,363	37,469,383	22%
DIRECT COSTS	**65,077,964**	62,526,073	2,551,891	4%
GROSS INCOME	**144,422,782**	109,505,290	34,917,492	32%
SELLING AND ADMINISTRATIVE EXPENSES	**89.644.303**	82,338,211	7,306,092	9%
OTHER INCOME (CHARGES) – Net	**56,379,721**	13,408,935	42,970,786	320%
INCOME BEFORE INCOME TAX	**111,158,200**	40,576,014	70,582,186	174%
PROVISION FOR (BENEFIT FROM) INCOME TAX				
INCOME TAX EXPENSE- NET	**16,506,220**	4,723,656	11,782,564	249%
	16,506,220	4,723,656	11,782,564	249%
NET INCOME	**94,651,980**	35,852,358	58,799,622	164%
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently to profit or loss	**(24,751,705)**	(533,123)	(24,218,582)	4543%
TOTAL COMPREHENSIVE INCOME	**69,900,275**	35,319,235	34,581,040	98%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	**75,709,745**	27,871,667	47,838,079	172%
Non-controlling interests	**18,942,234**	7,980,691	10,961,543	137%
	94,651,980	35,852,358	58,799,622	164%

Results of Operation

Total consolidated revenues amounted to P210 million of which P130 million or 62% came from realized real estate sales and related interest on installment contracts receivable while P51 million or 24% came from sale of medical services. Rental income and dividend income accounted for 6% and 7% of revenues, respectively.

The total revenues for 2021 was higher than that of the previous year. Revenue mix changed during the year with real estate sales increasing to 53% of total revenue and sale of medical services increased to 24% of total revenue. Rental and dividend income accounted for 13% of total revenue.

Meanwhile, total costs and expenses in 2021 amounted to P155 million with direct costs increasing by 4% to P65 million, owing to higher volume of real estate sales and sale of medical service. Direct costs for real estate sales was at P35 million while direct costs for services increased by 11% to P30 million. General operating expenses increased from P82 million to P90 million in 2021.

Net other income for 2021 amounted to P56.4 million including interest income on loans and bank placements amounting to P3.2 million. For 2020, net other income amounted to P13.4 million including interest income on loans and bank placements amounting to P10.7 million

Net income for the year 2021 amounted to P94.7 million compared to P35.9 million in the previous year.

Key Performance Indicators

The Corporation measures its performance based on the utilization of assets and the return on its investments.

Indicator	As of			Formula
	Dec 2023	**Dec 2022**	**Dec 2021**	
Current Ratio	6.67x	6.39x	5.85x	$\frac{Current\ Assets}{Current\ Liabilities}$
Cash Ratio	4.97x	4.09x	3.13x	$\frac{Cash\ and\ Cash\ equivalents}{Current\ Liabilities}$
Debt-Equity Ratio	0.09x	0.09x	0.09x	$\frac{Total\ Liabilities}{Total\ Equity}$
Debt-Asset Ratio	0.08x	0.08x	0.08x	$\frac{Total\ Liabilities}{Total\ Assets}$
Asset-Equity Ratio	1.09x	1.09x	1.09x	$\frac{Total\ Asset}{Total\ Equity}$
Interest Coverage Ratio	n/a	n/a	n/a	$\frac{Earnings\ before\ Interest\ and\ Tax}{Interest\ Expense}$
Net Profit Margin	31.11%	30.73%	45.18%	$\frac{Net\ Income}{Net\ Revenues}$
Investment Ratio	0.42x	0.43x	0.44x	$\frac{Total\ Investment\ and\ Advances}{Total\ Assets}$
Return on Assets	2.10%	2.77%	3.91%	$\frac{Net\ Income}{Average\ Total\ Assets}$
Earnings Per Share	0.00264	0.00339	0.00506	$\frac{Net\ Income\ after\ Minority\ Interest}{Total\ Shares\ Subscribed}$

Liquidity

In 2023, current ratio increased to 6.67x as of December 31, 2023 compared to 6.39x as of December 31, 2022 resulting from increase in cash and cash equivalents. Cash ratio likewise increased to 4.97x as of December 31, 2023 from 4.09x as of December 31, 2022.

Current ratio increased to 6.39x as of December 31, 2022 compared to 5.85x as of December 31, 2021 resulting from increase in cash and cash equivalents and decrease in accounts and other payables. Cash ratio increased to 4.09x as of December 31, 2022 from 3.13x as of December 31, 2021.

Solvency/Leverage

As of December 31, 2023, debt-equity ratio remained at 0.09x from last year. Also, debt-asset ratio remained at 0.08x from the same ratio December 31, 2022. Asset-equity ratio also remained at 1.09x as of December 31, 2023 as there is unusual movement in both assets and equity. The Company has a nil interest coverage ratio as it has zero loans and therefore no interest expense was incurred in 2023.

Debt-equity ratio in December 31, 2022 remained at 0.09x from the same ratio as of December 31, 2021. Also, debt-asset ratio remained at 0.08x from the same ratio December 31, 2021. Asset-equity ratio also remained at 1.09x as of December 31, 2022 as there is unusual movement in both assets and equity. The Company has a nil interest coverage ratio as it has zero loans and therefore no interest expense was incurred in 2022.

Investment Ratio

Investment ratio decreased to 0.42x as of December 31, 2023 from 0.43x as of December 31, 2022 due to depreciation of asset for lease.

Investment ratio decreased to 0.43x as of December 31, 2022 from 0.44x as of December 31, 2021 due to sale of investment property in Batangas and depreciation of asset for lease.

Profitability

Net income margin for the year 2023 was higher than the previous year, increasing to 31.11% compared to 30.73% in 2022 due to gain on sale of marketable securities and higher interest income on placements.

Net income margin for the year 2022 was lower than the previous year, decreasing to 30.73% compared to 45.18% in 2021 due to decrease in market value on marketable securities.

Return on Assets

Return on assets decreased to 2.10% as of December 31, 2023 from 2.77% as of December 31, 2022 as a result of lower net income in 2023.

There was a decrease in net income as of December 31, 2022 resulting to a lower return on assets at 2.77% from 3.91% as of December 31, 2021.

Earnings Per Share

Earnings per share decreased to ₱0.00264 as of December 31, 2023 compared to ₱ 0.00339 as of December 31, 2022. Income attributable to shareholders of the Corporation decreased while Corporation’s average number of outstanding shares remained the same from the previous year.

Earnings per share decreased to ₱0.00339 as of December 31, 2022 compared to ₱ 0.00506 as of December 31, 2021. Income attributable to shareholders of the Corporation decreased while Corporation’s average number of outstanding shares remained the same from the previous year.

(i) Past and Future Financial Condition with Particular Emphasis on the Prospects for the Future

The Corporation continues to generate revenues from its real estate projects, particularly Cypress Towers and Palma Real Residential Estates. Aggregate revenue of real estate sales amounted to P79.4 million. The healthcare business, on the other hand, generated P68.7 million during the year from the previous year's P65.5 million.

The Palma Real Residential Estates is expected to continue selling. The project continues to market house and lot packages intended to promote community build-up. The project realized P70.8 million revenues in 2023 accounting for 42% of total revenue. Future sales are still expected to be realized as Palma Real is now accessible both from the Sta. Rosa-Tagaytay road and from the Mamplasan exit of the South Luzon Expressway via the Cavite-Laguna Expressway.

The FortMED clinics have seen improvements in earnings backed by stable revenue for the past two years. The clinics operations are looking forward to sustaining this level of profitability as a result of efforts in streamlining processes for optimal efficiency.

The Corporation 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. It is not aware of any events that will trigger direct or contingent financial obligation that is material to the company, including any default or breach of any note, loan, lease, or other indebtedness or other financing arrangements requiring to make payments. Furthermore, there is no significant amount in trade payables that has not been paid within the stated trade terms. 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.

The Corporation 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.

The Corporation and its subsidiaries have neither issued nor invested in any financial instruments or complex securities that will make them susceptible to the effects of any global financial condition. It has neither foreign currency denominated nor local peso denominated loans. The Corporation's financial risk exposure is limited to its investments in the equities market reported as "Financial Assets at Fair Value through Profit and Loss" in its balance sheet though insignificant compared to the Corporation's total asset base. Moreover, these investments are always marked to market thus reflecting the most verifiable values available. The Corporation's risk management policies are religiously observed and fair values of investments are reviewed by the Executive Committee on a regular basis.

(ii) Material Change

(i) Any known trends, events or uncertainties (material impact on liquidity)

The Corporation has no known trends, demand, commitments, events or uncertainties in the present operations of the Corporation that is likely to result in the Corporation's liquidity increasing or decreasing in any material way.

(ii) Events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

The Corporation is not aware of any events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

(iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons during the reporting period.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligation), and other relationships of the Corporation with unconsolidated entities or other persons created during the recent fiscal year.

(iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.

As of the date of this report, the Corporation has no material commitment for capital expenditure.

(v) Any known trends, events or Uncertainties (Material Impact on Sales)

Except for the impact of the Covid19 pandemic which slowed down patient visits in Fortmed Clinics, there are no known trends, events or uncertainties that would have potential material impact on revenues.

(vi) Any Significant Elements of Income or Loss (from continuing operations)

There are no significant elements of income or loss (from continuing operations).

(vii) Causes of Any Material Changes from Period to Period of Financial Statements which shall include vertical and horizontal analyses of any material item (5%)

The causes for and material changes from 2020-2021 are explained above and in Item 6(1) of the Annual Report (SEC Form 17-A) of the Corporation.

(viii) Seasonal Aspects that have Material effect on the Financial Statements

There are no seasonal aspects that has a material effect on the financial statements.

(D) Brief Description of the General Nature and Scope of Business of the Corporation

The Corporation is a Filipino-owned publicly-listed investment holding corporation. Through its subsidiaries, the Corporation acquired various real estate properties to be developed into commercial, industrial, residential, or mixed-use areas. The Corporation also has investments in healthcare business particularly in two medical ambulatory care clinics.

The subsidiaries of the Corporation that are already in operation are FortMed Medical Clinics Makati Inc., Crown Central Properties Corporation, Healthcare Systems of Asia Philippines, Inc., and Argent Capital Holdings Corporation. Parkfield Land Holdings, Inc. is still in the pre-operating stage.

The Corporation's main business is investment holding. It acquires, develop and sell real estate properties, either through its own subsidiaries or through tie-ups with major real estate and property development companies. The Corporation markets the real estate properties either through its in-house marketing group or through third party brokers and agents. The Corporation also delivers medical and health care services to outpatients through its ambulatory care centers. All of the Corporation's revenues are generated locally.

There are several players in the real estate industry competing for developments in prime areas. Historically, the industry has been led by highly-capitalized firms. Although these companies have been leading the industry, the Corporation has been focusing on residential development through niche markets. The Corporation aims to continue developing real estate where opportunities for growth are identified. At present, the location and price of the residential units offered by the Corporation give it an edge in the competition. The previous pandemic, however, dampened the market as a result of declining buyer power.

Property development businesses involve significant risks including the risks that construction may not be completed on schedule or within the allocated budget; and that such projects may not achieve the anticipated sales. In addition, real estate development projects typically require substantial capital expenditure during construction and it may take years before the projects generate cash flows.

Increasing threat from competition has been the main risk in the healthcare business. Growth in the number of healthcare providers delivering similar services has been affecting profitability across companies. Moreover, the business is characterized by substantial recurring capital expenditure for medical technology in order to provide a comprehensive healthcare service. However, being a basic necessity, the healthcare business could likewise provide sustainable revenues.

As a business in the real estate and health care services, the Corporation does not rely on a few customers ensuring the continuity of revenue streams for the company. Furthermore, the Corporation does not rely on a limited number of suppliers in providing products and services that may contribute to risks of non-performance of the Corporation. The Corporation also does not have any major supply contracts.

The Corporation does not have any patents, trademarks, copyrights, licenses, franchises, concessions, or royalty agreements held. As it currently stands, there are no government regulations specifically covering the Corporation's business. There is a possibility that the government may impose certain regulations which may include securing special permits, imposing regulatory fees and controls over the Corporation's products and services but these types of regulations would not be a hindrance to the Corporation's business. Furthermore, the costs incurred for purposes of complying with environmental laws consist primarily of payments for mandated fees for the issuance of business permits which are standard in the industry and is minimal.

The Corporation did not spend significant amount on developmental activities during the last three fiscal years.

The Corporation and its subsidiaries currently employ 68 officers and staff, including 41 medical and administrative officers and staff in the healthcare operations. There is no existing Collective Bargaining Agreement between the Corporation and its employees. There are no supplemental benefits or incentive arrangements with the employees, aside from those provided by law.

a. <u>Real Estate and Property Development</u>

1. Crown Equities, Inc.

The Cypress Tower is a residential condominium complex composed of three buildings: the Altiva Tower, the Belmira Tower, and the Celesta Tower. Residents enjoy a good view of the Laguna Lake to the east as well as the Manila Bay to the west. The Cypress Tower boasts of its perfect accessibility from either the north or the south of Metro Manila via the Circumferential Road 5. The Corporation likewise sell house units in Palma Real Residential Estate.

The Corporation also owns real estate property in Sto. Tomas, Batangas. Some of the properties are still in the process of titling. The properties are mostly located in Brgy. San Miguel, Sto. Tomas, Batangas, about 56 kilometers from the central business district of Makati City. It is accessible by any land transport from Manila via the South Luzon Expressway and the Maharlika highway. The Corporation also has over 6 hectares of property in Taguig.

For the year ended December 31, 2023, the Corporation as a separate entity generated revenue of P62.4 million, representing 37% of total revenue of CEI and its subsidiaries, the Group, P23.9 million of which came from recognized sale of real estate units and P19.9 million from rental income.

2. Crown Central Properties Corporation

Crown Central Properties Corporation (CCPC) was incorporated on September 3, 1996 as a joint venture between the Corporation and Solid Share Holdings, Inc., now Federal Land, Inc., an affiliate of a major banking group. In October 2003, CCPC entered into a Memorandum of Agreement with Sta. Lucia Realty and Development, Inc. whereby the former shall contribute land and its improvements while the latter shall be responsible for completing the development of a subdivision project. The agreement called for a 60%-40% sharing of revenues in favor of CCPC. The project was completed and marketing is on-going.

The subdivision, named Palma Real Residential Estates, is strategically located near the boundary of Sta. Rosa and Biñan, in the province of Laguna, a few minutes away from educational institutions in the area such as Don Bosco and De La Salle University. Among residential subdivisions in its class, Palma Real is one of those nearest to these educational institutions. Although competition is considered tight given the number of residential subdivisions within its five-kilometer radius, Palma Real enjoys an advantage given its proximity to these schools, the industrial park, the commercial district in the area, and access via the Mamplasan exit of the South Luzon Expressway connecting to the Sta. Rosa-Tagaytay highway. The subdivision is also accessible via the Cavite-Laguna Expressway (CALAX).

CCPC contributed 28% to the total revenue of the Group in 2023 having aggregate revenue of P48.2 million from Palma Real Residential Estates sales.

3. Parkfield Land Holdings, Inc.

Parkfield Land Holdings, Inc. (PLHI), a 75%-owned subsidiary of the Corporation, was incorporated on April 11, 2001 primarily to acquire, develop, and sell real estate properties. PLHI owns 92 hectares of land located in San Jose del Monte, Bulacan.

PLHI has not started its commercial operations and has no significant business developments involving the properties. PLHI does not intend to develop its properties within the next twelve months.

b. __Healthcare__

Healthcare System of Asia Phils., Inc.

Healthcare System of Asia, Phils. (HSAPI), Inc. was established on July 26, 1996 to deliver medical and health care services and healthcare systems, in general. Presently, HSAPI has two operational ambulatory care clinics: the FortMED Medical Clinics – Makati, which started operations in 1997, and FortMED Medical Clinics – Sta. Rosa, which started operations in 1998.

The two FortMED Clinics provide a wide range of medical services at reasonable prices. These clinics house diagnostic and ambulatory treatment apparatus including ultrasound machines and modern laboratory equipment. The clinics offer cardio-pulmonary testing, radiologic procedures, laboratory blood chemistry and hematology, and sub-specialist consultation.

Competition in this type of business is generally dictated by factors such as the reputation of doctors associated with and actually practicing in the clinic, availability of highly effective facilities, and quality of professional health service. Location and accessibility are also critical competitive factors in this industry.

FortMED-Makati is strategically located in Bel-Air Village, Makati which is easily accessible to both residents and employees in the Makati business district. FortMED-Sta. Rosa is in Greenfield Business Park, Sta. Rosa, a booming commercial district in the vicinity of a light industrial park which is home to multinational companies.

The clinics offer a fast one-stop shop type of professional service and easy accessibility to results through the clinics' proprietary clinic information system and computerized processes. The clinics also provide private duty nurses to address the need for professional health care in clients' premises.

The FortMED Clinics are accredited by the Department of Health (DOH). Necessary licenses have been secured from the DOH to operate the various facilities of the clinics including the radiology and laboratory facilities which is also licensed by the Dangerous Drug Board (DDB). License to operate is secured from the Department of Health on a regular basis.

The unique focus of medical practice at FortMED is to assist the patient and family in obtaining comprehensive interdisciplinary health care that is both accessible and acceptable. The concepts of patient participation, patient education, health promotion and illness prevention are basic parts of the integrated treatment plan. The professional staff recognizes the importance of technological and cultural dimensions of health and their influences on the individual, families, and communities serviced. The physicians also recognize their responsibility to respect each patient without bias, assisting the patient to make sound decisions about their health care.

FortMED Clinics generated aggregate revenue of P68.7 million in 2023 representing 40% of the Group's revenues.

c. ***Investment Holding***

Argent Capital Holdings Corporation

Argent Capital Holdings Corporation (ACHC) was incorporated and registered with the SEC on August 28, 2019. A wholly-owned subsidiary, ACHC was established to engage in investing activities.

(E) Directors and Executive Officers

(a.) The incumbent directors and executive officers of the Corporation are as follows:

Mr. George L. Go, 82 years old, Filipino, is presently the Chairman of the Board of Directors of the Corporation. He has been a Director of the Corporation since 1995. He is also the Chairman of the Nominations Committee and a Member of the Executive Committee, Investment Committee and the Compensation and Remuneration Committee. Mr. Go is also the Chairman of the Board of Healthcare Systems of Asia Philippines, Inc., Fortmed Medical Clinics Makati, Inc. Mr. Go earned his bachelor's degree in Economics from Youngstown University, U.S.A and completed an Advanced Management Program in Harvard Business School, U.S.A.

Mr. Wilfrido V. Vergara, 79 years old, Filipino, has been the Vice Chairman of the Board of Directors of the Corporation since May 2002. He is the Chairman of the Executive Committee, the Investment Committee and the Compensation and Remunerations Committee. Mr. W.V. Vergara is the Chairman of the Board of Directors of Argent Capital Holdings Corporation and also the Vice Chairman of Fortmed Medical Clinics Makati, Inc. and Healthcare Systems Asia Philippines, Inc.

He is also a Director of Parkfield Land Holdings, Inc. Mr. Vergara obtained his Bachelor's Degree in Economics from the Ateneo de Manila University.

Mr. Romuald Dy Tang, 72 years old, Filipino, has been a member of the Board of Directors of the Corporation since 2008 and was elected President of the Corporation in May 2010. Mr. Dy Tang is also a Member of the Executive Committee, Nominations Committee, the Compensation and Remuneration Committee and Investment Committee. He is likewise a Director and President of Argent Capital Holdings, Inc. and a member of the Board of Directors of Healthcare Systems of Asia Philippines, FortMED Medical Clinics Makati, Inc. and Parkfield Landholdings, Inc. Mr. Dy Tang earned his Bachelor of Science in Business Administration from De La Salle University, Manila.

Mr. Patrick D. Go, 56 years old, Filipino, has been a Director of the Corporation since 1995. He is the Treasurer and the Compliance Officer of the Corporation. He also serves as the Treasurer of Healthcare Systems of Asia Philippines, Inc., Fortmed Medical Clinics Makati, Inc. He is a director and the Treasurer of Argent Capital Holdings Corp. Mr. Go is an Independent Director of Encash Inc. Prior to that, he was Vice President at Banco De Oro. Mr. Go is a graduated from San Francisco State University, U.S.A in 1992 earning a Bachelor of Science degree in both Finance and Real Estate. He is the son of Mr. George L. Go.

Mr. Eugene B. Macalalag, 56 years old, Filipino, has been a member of the Board of Directors of the Corporation since May 2003. He is the First Vice President of the Corporation. Mr. Macalalag is also the President and Director of Healthcare Systems of Asia Philippines, Inc. and FortMED Medical Clinics Makati, Inc. He is the President of Crown Central Properties Corp. and Parkfield Landholdings, Inc. Mr. Macalalag is a director of Argent Capital Holdings Corporation. He joined Crown Equities, Inc., in April 1996. Mr. Macalalag graduated *Magna cum Laude* from the Divine Word University of Tacloban and holds a Bachelor of Science degree in Commerce – Accounting. He earned his Masters degree in Business Administration from the De La Salle University, Manila.

Mr. Ramon A. Recto 91 years old, Filipino, has been an Independent Director of the Corporation since May 2002. He is a Member of the Audit Committee and the Nominations Committee. Mr. Recto was the President of Marcventures Holdings, Inc. and Lepanto Consolidated Mining Corporation. Mr. Recto obtained both of his Bachelor's Degrees in Electrical Engineering and in Mechanical Engineering from the University of the Philippines. He also earned his Master's Degree in Industrial Management from the same University.

Mr. Conrado G. Marty 78 years old, Filipino, has been a member of the Board of Directors of the Corporation since 2006. Mr. Marty is also a member of the Audit Committee of the Corporation. He is the President of Universal LMS Finance and Leasing Corporation and is also the Vice Chairman of Hariphil Asia Resources Inc. Mr. Marty holds a Bachelor in Business Administration Major in Accounting from University of the East and is a Certified Public Accountant. He obtained his Master in Business Administration major in Finance from the Wharton School, University of Pennsylvania.

Mr. Manuel E. Dimaculangan, 57 years old, Filipino, serve as an independent director of the corporation since 2022. He is the President and CEO of Pacific World Security and Investigation. Mr. Dimaculangan graduated from University of Sto. Tomas and holds a Bachelor's degree in Architecture.

Mr. Melvin O. Vergara, 52 years old, Filipino, has been a member of the Board of Directors since May 2011. He is also currently a Director of Healthcare Systems of Asia Philippines, Inc. and FortMED Clinics Makati. He was a Consultant of the same company from 2000 to 2002. He earned his Degree in Business Administration from the University of Sto. Tomas. He is the son of Wilfrido V. Vergara.

Mr. Christopher Brian C. Dy, 39 years old, Filipino, is the Assistant Vice President of the Corporation. Mr. Dy has been a member of the Board of Directors of the Corporation since May 2011. He is also the Vice President of Crown Central Properties Corporation. He also served as the purchasing officer of FortMED Medical Clinics in 2010. He took up securities training in Guild Securities, Inc. from 2009 to 2010 and worked for 3M Philippines for the Projections Systems and Optical Systems divisions. He was also a Property Specialist of Ayala Land Premier in 2006. He earned his Bachelor of Science in Management, Major in Management Communications Technology from the Ateneo de Manila University. He is the son of Mr. Romuald U. Dy Tang.

Mr. Nixon Y. Lim, 53 years old, Filipino, graduated B.S Physics at De la Salle University, Manila in 1991. He is currently the Chairman of the Related Party Transaction Committee of the Corporation, a Member of the Board Risk Oversight Committee and Investments Committee. He is the President of Greenstone Packaging Corporation, Lamitek Systems, Inc. and Greenkraft Corporation. In addition, he is also the President of GreenSiam Resources Corporation, Steniel Mindanao Packaging Corporation, Steniel Cavite Packaging Corp., and Chairman and CEO of Steniel Manufacturing Corporation.

Atty. Rodolfo B. Fernandez, 67 years old, Filipino, is an independent director of the Corporation. He is also the Chairman of the Corporate Governance Committee and member of the Audit Committee and Board Risk Oversight Committee. Atty. Fernandez is currently an independent director of Medco Holdings, Inc. and sits in the board of Reference Group Financial Services, Inc. He is also a director and corporate secretary of The Organization of Property Stakeholders. He was formerly Chief Compliance and AMLA Officer of BPI Family Savings Bank, Head of Compliance and Legal of BPI Asset Management and Trust Group (AMTG) and BPI Mutual Fund Companies, Head of the BPI Account Management 4, Chief Legal Counsel of Far East Bank and Trust Co., and Head of Legal and Product Development of FEBTC – Trust Department. An expert and lecturer on estate planning, he obtained his Bachelor of Laws from the UP College of Law and his AB Political Science from the University of Santo Tomas.

Mr. Reynaldo V. Reyes, 81 years old, is an independent director of both the Corporation and Argent Capital Holdings, Inc. He is also a Member of the Corporate Governance Committee, Related Party Transaction Committee, and Investments Committee. Mr. Reyes spent his most productive years as a military serviceman from age 17 to compulsory retirement at age 56. He served as a PAF line pilot, Squadron Commander, Wing Commander and went on to become Air Division Commander stationed in Zamboanga, Mindanao after which he was placed in command of the Western Command (WESCOM) in charge of Palawan and the West Philippine Sea. He had modest exposure in business management while detailed at the Defense Department as head of the Defense Management Division and Deputy Assistant Secretary for Comptrollership. There he served in concurrent capacity as Senior Vice President of the AFP pension fund performing a wide range of functions from lending, treasury management and managing property holdings of the fund. He was a member of the Philippine Stock Exchange from 1999 to 2006, being then the Chairman and President of stock brokerage firm Public Securities Corporation. He was at the same time President and CEO of an investment house, Resources and Investments Corporate House Inc. (RICH). He served as Director of the Securities Clearing Corporation (SCCP), and also as member of the PSE Listing Committee. Mr. Reyes graduated from the Philippine Military Academy in 1964 with a Bachelor's Degree. His in-service career training included courses in Resource Management at the US Naval Post Graduate School in Monterey, USA; Industrial College of the US Armed Forces; Command and Staff Course at the Air University, Montgomery, Alabama, USA and ADMU MBA off-campus course.

Mr. Emilio S. de Quiros, Jr., 75 years old, is an Independent Director of the Corporation. He is also a Member of the Compensation and Remuneration Committee, Board Risk Oversight Committee, Related Party Transaction Committee, and Investments Committee. Mr. De Quiros is also an independent director of Atlas Consolidated Mining and Development Corporation, an independent director of Sunlife Investment Management & Trust Corporation and an Independent Director of Capital Markets Integrity Corporation. He was previously the President and Chief

Executive Officer of the Social Security System (SSS) and also served as a Director of Belle Corporation, UnionBank of the Philippines, Philex Mining Corporation and Philhealth Insurance Corporation. Prior to his appointment as President of SSS, he served as Executive Vice President of Bank of the Philippine Islands and President of Ayala Life Insurance Inc., Ayala Plans Inc. and a director of BPI Bancassurance, Inc. Mr. De Quiros graduated from Ateneo de Naga with a Bachelor of Arts in Economics degree (Cum Laude), and holds a Master of Arts in Economics degree from University of the Philippines.

Ms. Clare D. Alvarez, 49 years old, has been a member of the Board of Directors of the Corporation since 2022. She is the President, CEO and Nominee of Guild Securities, Inc. and a Assoc. Director in Globe Telecom, Inc. Ms. Alvarez graduated from University of Asia and the Pacific and holds a bachelor degree in Arts major in Humanities and Business Administration. She obtained her Master's Degree in Business Management from Asian Institute of Management.

(b.) Significant Employees

The Corporation has no employee who is not an executive officer but is expected to make a significant contribution to the business.

(c.) Family Relationships

Mr. Patrick Warren D. Go, Compliance Officer and member of the Board of Directors, is the son of Mr. George L. Go, Chairman of the Board of Directors. Mr. Melvin O. Vergara is the son of Mr. Wilfrido V. Vergara, Vice Chairman of the Board of Directors while Mr. Christopher Brian C. Dy is the son of Mr. Romuald U. Dy Tang, President. Aside from the foregoing, no other directors or executive officer are related up to the fourth civil degree either by consanguinity or affinity.

(d.) Involvement in Certain Legal Proceedings

The Corporation has no knowledge of the involvement of the current directors and executive officers, in any legal proceedings as defined in the Securities Regulation Code for the last five (5) years up to the date of this report.

Further, the Corporation is not involved in or aware of any material legal proceedings, tax assessments and tax cases in court or other regulatory bodies as at and for the year ended December 31, 2023, that may significantly affect the Corporation, or any of its subsidiaries or affiliates.

(e.) Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are on arm's length basis in a manner similar to transactions with non-related parties.

During the last three years, there were no transactions or series of similar transactions with or involving the Corporation or any of its subsidiaries in which a director, executive officer, nominee for election as a director or stockholder owning ten percent (10%) or more of total outstanding shares and members of their immediate family, had or is to have a direct or indirect material interest.

(f.) The Corporation has no controlling or parent company.

(F) Market Price and Dividends

(a) Market Price

The Corporation's securities are traded only in the Philippine Stock Exchange and no market for the shares is expected to be developed outside the Philippines. For the last two (2) years, the highs and lows of stock market prices for Crown Equities, Inc.'s equity shares are as follows:

		HIGH	LOW
2024	January – March	0.012	0.057
2023	October – December	0.079	0.056
	July – September	0.085	0.073
	April – June	0.087	0.073
	January – March	0.100	0.073
2022	October – December	0.081	0.073
	July – September	0.091	0.079
	April – June	0.099	0.081
	January – March	0.107	0.087

As of April 17, 2024, the closing price of the Corporation's common shares was 0.074 per share, thus resulting in a market capitalization of P1,107,039,996.30 (based on 14,959,999,950 outstanding common shares).

(b) Holders

There were 363 shareholders of CEI as of March 31, 2024. The top 20 stockholders on record as of March 31, 2024 are as follows:

	NAME	CITIZENSHIP	TOTAL SHARES	%
1	PCD NOMINEE CORP.	Filipino / Others	13,985,882,879	93.4885
2	TONG, MARIE LOUISE Y.	Filipino	245,905,000	1.6438
3	TONG, ROBIN Y.	Filipino	245,905,000	1.6438
4	TONG, WELLINGTON Y.	Filipino	245,905,000	1.6438
5	DAVID GO SECURITIES, CORP.	Filipino	30,800,000	0.2059
6	GCV MANAGEMENT & CONSULTING CORPORATION	Filipino	24,085,600	0.1610
7	ACUNA, EMMANUEL E.	Filipino	20,213,600	0.1351
8	PINPIN, ELISA T.	Filipino	13,200,000	0.0882
9	ALCANTARA, EDITHA	Filipino	8,800,000	0.0588
10	ONG, RODERICK PHILIP	Filipino	8,800,000	0.0588
11	RIEZA, RENE DANIEL S.	Filipino	8,800,000	0.0588
12	KATSUTOSHI, SHIMIZU	Filipino	6,160,000	0.0412
13	ONGSIAKO, MARGARITA	Filipino	5,438,400	0.0364
14	LEE II, ANTHONY PETER BRYAN TIONG	Filipino	5,280,000	0.0353
15	PO, ALFONSO L. &/OR LETTY PO	Filipino	4,400,000	0.0294
16	REYES, MICHAEL	Filipino	4,400,000	0.0294
17	TE, LUIS SOW	Filipino	4,400,000	0.0294
18	WARD MANAGEMENT CORPORATION	Filipino	4,400,000	0.0294
19	JOCELYN N. YUJUICO ITF CHILDREN	Filipino	3,520,000	0.0235
20	ACUNA, ROSARIO	Filipino	3,080,000	0.0206

As of March 31, 2024, the number of lodged common shares owned and held by non-Philippine nationals is 110,852,020.

(c) Dividends

On February 26, 2019, the Board of Directors declared a ten percent (10%) stock dividends amounting to one billion, three hundred fifty nine million, nine hundred ninety nine thousand, nine hundred ninety (1,359,999,990) shares which was issued and distributed to the shareholders on September 30, 2019. No dividends were declared for 2020.

There were no stock dividends declared on common shares prior to 2019.

On February 28, 2023, preliminary approval of stock dividends declaration, subject to the regulations of the Securities and Exchange Commission and the Exchange, was approved by the Board.

There is no restriction that limits the ability of the Corporation to pay dividends on common equity and no such restriction is expected to arise in the future.

(d) Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

The Corporation did not sell nor offer for sale any unregistered or exempt securities including issuance of securities constituting an exempt transaction for the last three (3) years.

(G) Compliance with Leading Practices on Corporate Governance

(a) Evaluation System

Since the implementation of its Manual on Corporate Governance in 2003, compliance with it has been satisfactory and no sanction has been imposed on any member of the organization for deviating from the Manual. The Corporation ensures that its directors, officers and employees are familiar with and adhere to this Manual on Corporate Governance.

The Corporation adopted and implemented its Manual on Corporate Governance in 2003 to institutionalize the principles of good corporate governance in the entire organization and to supplement its By-Laws. The Corporation maintains four (4) independent directors in its Board and has designated a Compliance Officer to oversee the implementation of the Manual. Pursuant to the Manual, the Corporation created a Nomination Committee to pre-screen and shortlist all candidates nominated to become a member of the Board. A Compensation and Remuneration Committee was also formed to develop policies on executive remuneration; and an Audit Committee to check all financial reports and to provide oversight on financial management functions.

In addition to the foregoing committees, the Corporation has a five-member Executive Committee that regularly meets to discuss the Corporation's day-to-day operation.

To ensure optimum Board performance, the Corporation conducts annual performance evaluations of the Board of Directors, its individual members and Board Committees. Through the evaluation process, directors identify areas for improvement, as well as other forms of assistance that they may need in the performance of their duties. The Board reviews the results of these evaluations and agrees on clear action plans to address any issues raised.

The Manual defines the Corporation's compliance system and identifies the roles and responsibilities of the Board and Management in relation to corporate governance. It contains the Corporation's policies on disclosures and transparency, corporate governance and the rights and protection of stakeholders.

(b) Measures on leading Practices of Good Corporate Governance

The Board of Directors shall review the Manual from time to time and recommend the amendment thereof with the goal of achieving better transparency and accountability. The Compliance Officer continues to evaluate the compliance of the Corporation, its directors, officers, and employees with its existing Manual, which may be amended from time to time.

(c) Any Deviation from the Manual

There was no material deviation in compliance with the Manual for the year 2023.

(d) Improvement of the Corporate Governance

In 2017, the Corporation amended its Manual to comply with the Revised Code of Corporate Governance.

The Corporation has adopted the policy of reviewing its Manual on an annual basis at the Board level with the aim of constantly improving its corporate governance.

Undertaking to Provide Annual Report

The Corporation undertakes to provide, without charge, each stockholder a copy of the Corporation's Annual Report on SEC Form 17-A upon written request to the Corporation addressed to:

ATTY. MARK O. VERGARA
Corporate Secretary
5/F Crown Center
158 N. Garcia Corner Jupiter Streets
Makati City

At the discretion of the Corporation, a charge may be made for exhibits, provided such charge is limited to reasonable expenses incurred by the Corporation in furnishing such exhibits.

SCHEDULE A

CROWN EQUITIES
INCORPORATED

CROWN EQUITIES, INC.
2024 ANNUAL STOCKHOLDERS' MEETING
May 28, 2024 at 2:00 p.m.

Guidelines for Participating via Remote Communication and Voting In Absentia

The 2024 Annual Stockholders' Meeting ("ASM") of Crown Equities, Inc. ("CEI" or the "Company") will be held on **May 28, 2024**, Tuesday, at **2:00 p.m.** Stockholders of record as of April 19, 2024 are entitled to notice of, to attend and, to participate in and vote at the ASM or any adjournment thereof.

CEI will not be conducting a physical ASM. Stockholders may attend, vote at, and participate in, the ASM via proxy and remote communication or *in absentia*.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6-2020, which allow voting *in absentia*, the Company has set up the following procedure for stockholder registration, participation via remote communication and voting *in absentia* on the ASM agenda items.

Stockholders who vote *in absentia* or who participate via remote communication shall be deemed present for purposes of quorum.

(1) Pre-ASM Registration and Validation Procedures

Stockholders who choose to participate in the ASM via remote communication and cast their votes *in absentia* must notify the Corporate Secretary *no later than* **May 18, 2024** by submitting the complete supporting documents with transmittal letter to the Office of the Corporate Secretary at Martinez Vergara & Gonzalez Sociedad located at the 33rd Floor, The Orient Square, F. Ortigas Jr. Road, Ortigas Center, Pasig City via COURIER/PERSONAL DELIVERY **OR** by sending scanned copies of the foregoing via EMAIL to **CEI2024ASM@crownequitiesinc.com**.

Scanned copies of the documents submitted as attachments via email must be in clear copies in JPG or PDF format, with each file size not exceeding 2MB.

The Office of the Corporate Secretary, via-email reply within three (3) business days from receipt of the documents, will either confirm successful registration and provide the link and meeting details to the Company's 2024 ASM **OR** require resubmission in case of deficient documents. Should you not receive an e-mail reply within three (3) business days from receipt of your submission, please call +632 8687 1195.

Documentary Requirements

Certificated Individual Stockholders

1. Stockholder's valid government-issued ID[2] with photo, signature and personal details, preferably with residential address
2. Stock certificate number/s
3. A valid and active e-mail address and contact number of the stockholder
4. In case of proxy appointment, a duly accomplished and signed proxy indicating the votes on the agenda items.

Certificated Multiple Stockholders or Joint Owners

1. Valid government-issued ID[3] of ALL stockholders–- with photo, signature and personal details, preferably with residential address
2. Stock certificate number/s
3. A valid and active e-mail address and contact number of the authorized representative
4. Proof of authority of stockholder voting the shares signed by the other registered stockholders, for shares registered in the name of multiple stockholders (need not be notarized)
5. In case of proxy appointment, a duly accomplished and signed proxy indicating the votes on the agenda items.

Certificated Corporate/Partnership Stockholders

1. Secretary's Certification of Board resolution attesting to the authority of the representative to participate by remote communication for and on behalf of the Corporate/Partnership
2. Stock certificate number/s
3. Authorized representative's valid government-issued ID[4] with photo, signature and personal details, preferably with residential address
4. A valid and active e-mail address and contact number of the authorized representative
5. In case of proxy appointment, a duly accomplished and signed proxy indicating the votes on the agenda items.

Stockholders with Shares under PCD Participant/Broker Account

1. Certification from broker as to the number of shares owned by the stockholder
2. Stockholder's valid government-issued ID[5] with photo, signature and personal details, preferably with residential address
3. A valid and active e-mail address and contact number of the stockholder
4. In case of proxy appointment, a duly accomplished and signed proxy indicating the votes on the agenda items.

[2] E.g. passport, driver's license, unified multipurpose ID
[3] Same as above
[4] Same as above
[5] Same as above

(2) <u>Online Voting</u>

Stockholders who have successfully registered will be duly notified via email by the Office of the Corporate Secretary. Registered stockholders may then cast their votes for the agenda items by accomplishing the print-out of CEI's ballot form. The ballot form can be accessed and downloaded from CEI's website at **www.crownequitiesinc.com/2024ASM**.

Steps for Voting
1. Access and download the ballot form. 2. Vote on each agenda item on the ballot print-out. *Kindly refer to the rationale for agenda items appended to the Notice of Meeting for a brief description of each agenda item.* 2.a. Stockholders may vote "Yes", "No", or "Abstain" on each agenda item for approval. 2.b. For the election of directors, a stockholder has the following options: i. vote for all nominees; ii. withhold vote for any of the nominees; or iii. vote for certain nominees only ***Reminder:*** *A stockholder (a) may vote such number of his/her shares for as many persons as there are directors to be elected, or (b) may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected (15 Directors) multiplied by the number of his shares shall equal, or (c) may distribute them on the same principle among as many candidates as he/she shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder.* 3. Upon finalizing his/her vote, the stockholder can submit the ballot by sending a **clear, scanned copy** thereof in **JPG or PDF** format to **CEI2024ASM@crownequitiesinc.com** **<u>no later than May 27, 2024</u>**. ***The e-mail attachment file size must not exceeding 2MB.***

(3) *<u>ASM Proper</u>*

Stockholders who have successfully registered can participate via remote means of communication by accessing the link and meeting details provided by the Office of the Corporate Secretary. Instructions on how to join the meeting will also be provided to registered stockholders in the confirmation of registration via e-mail reply from **CEI2024ASM@crownequitiesinc.com**.

The meeting proceedings shall be recorded and adequately maintained by the Company in video and/or audio format, and will be made available to participating stockholders upon request. Stockholders may access the recording of the ASM by sending an e-mail request to **CEI2024ASM@crownequitiesinc.com.**

<u>Open Forum</u>

The Company will hold an Open Forum during a portion of the virtual ASM, during which the meeting's moderator will read and where representatives of the Company shall endeavor to answer as many of the matters or issues raised by stockholders as time will permit.

Stockholders may send their questions/comments in advance by sending an email with the subject head "**ASM 2024 Open Forum**" to **moderator_2024ASM@crownequitiesinc.com** not later than 5:00 p.m. of May 28, 2024. Stockholders may also course their comments and/or questions during the ASM through the remote platform.

Matters or issues raised and received but not entertained during the Open Forum due to time constraints will be addressed separately by CEI through the stockholders' email address.

For any clarifications on the foregoing procedures, or for any other ASM-related queries, please contact the Office of the Corporate Secretary at **CEI2024ASM@crownequitiesinc.com** or the Company at **moderator_2024ASM@crownequitiesinc.com**.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

CROWN EQUITIES

INCORPORATED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **CROWN EQUITIES, INC. AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors (Trustees) is responsible in overseeing the Company's financial reporting process.

The Board of Directors (Trustees) reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Reyes Tacandong & Co., the independent auditors appointed by the stockholders in 2023 and 2022, have audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinions on the fairness of presentation upon completion of such audit.

GEORGE L. GO	ROMUALD U. DY TANG	PATRICK D. GO
Chairman of the Board	President	Treasurer

SUBSCRIBED AND SWORN to before me this APR 05 2024 affiant exhibiting to me their Tax Identification Number, as follows:

NAMES	TIN
George L. Go	100-929-738
Romuald U. Dy Tang	115-321-304
Patrick D. Go	149-511-050

Doc No. 39
Page No. 9
Book No. 13
Series of 2024

ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-175(2023-2024)
Roll Of Attorney No. 77376
MCLE Compliance VIII No.0001393
Jan. 3, 2023 until Apr. 12, 2028
PTR NO.10073945/Jan. 2, 2024/Makati City
IBP No.330740/Jan. 2, 2024/Pasig City
1107 Bataan St., Guadalupe Nuevo,Makati City

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 and 2022 and INTERIM FINANCIAL STATEMENTS ENDING MARCH 31, 2024

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	**:**	002-837-461-000
Name	**:**	CROWN EQUITIES INC
RDO	**:**	049
Form Type	**:**	1702
Reference No.	**:**	462400059018484
Amount Payable (Over Remittance)	**:**	-28,569,929.00
Accounting Type	**:**	C - Calendar
For Tax Period	**:**	12/31/2023
Date Filed	**:**	04/08/2024
Tax Type	**:**	IT

[BIR Main | eFPS Login | User Menu | Help]

Reference No : 462400059018484
Date Filed : April 08, 2024 04:32 PM
Batch Number : 0

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For BIR Use Only: BCS/ Item:

BIR Form No. **1702-RT** January 2018(ENCS) **Page 1**	**Annual Income Tax Return** **For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate** *Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.*	1702-RT 01/18ENCS P1

1 For (●) Calendar ( ) Fiscal **2** Year Ended (MM/20YY) 12/2023	**3** Amended Return? ( ) Yes (●) No	**4** Short Period Return? ( ) Yes (●) No	**5** Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) ☑ IC010 ☑

Part I - Background Information

6 Taxpayer Identification Number (TIN)	002 - 837 - 461 - 000
7 RDO Code	049
8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*	CROWN EQUITIES INC
9A Registered Address *(Indicate complete registered address)*	CROWN CENTER 158 JUPITER ST BEL-AIR CITY OF MAKATI, NCR, FOURTH DI
9B Zipcode	1209
10 Date of Incorporation/Organization (MM/DD/YYYY)	
11 Contact Number	8990455
12 Email Address	mbc@crownequitiesinc.com
13 Method of Deductions	(●) Itemized Deductions [Section 34 (A-J), NIRC] ( ) Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]

Part II - Total Tax Payable *(Do NOT enter Centavos)*

14 Total Income Tax Due (Overpayment) *(From Part IV Item 43)*	912,092
15 Less: Total Tax Credits/Payments *(From Part IV Item 55)*	29,482,021
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15) (From Part IV Item 56)*	(28,569,929)
Add Penalties	
17 Surcharge	0
18 Interest	0
19 Compromise	0
20 Total Penalties *(Sum of Items 17 to 19)*	0
21 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Item 16 and 20)*	(28,569,929)

If Overpayment, mark "X" one box only *(Once the choice is made, the same is irrevocable)*

( ) To be refunded ( ) To be issued a Tax Credit Certificate (TCC) (●) To be carried over as tax credit next year/quarter

We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If Authorized Representative, attach authorization letter and indicate TIN)*

Signature over printed name of President/Principal Officer/Authorized Representative		Signature over printed name of Treasurer/Assistant Treasurer		**22** Number of Attachments
Title of Signatory	TIN	Title of Signatory	TIN	4

Part III - Details of Payment

Particulars	Drawee Bank/Agency	Number	Date *(MM/DD/YYYY)*	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others *(Specify Below)*				
				0

Machine Validation/Revenue Official Receipts Details *(if not filed with an Authorized Agent Bank)*	*Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)*

BIR Form No. 1702-RT January 2018(ENCS) Page 2	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P2

Taxpayer Identification Number (TIN)	**Registered Name**
002 - 837 - 461 - 000	CROWN EQUITIES INC

Part IV - Computation of Tax	*(Do NOT enter Centavos)*
27 Sales/Receipts/Revenues/Fees	62,929,900
28 Less: Sales Returns, Allowances and Discounts	0
29 Net Sales/Receipts/Revenues/Fees *(Item 27 Less Item 28)*	62,929,900
30 Less: Cost of Sales/Services	22,342,452
31 Gross Income from Operation *(Item 29 Less Item 30)*	40,587,448
32 Add: Other Taxable Income Not Subjected to Final Tax	20,218,681
33 Total Taxable Income *(Sum of Items 31 and 32)*	60,806,129

Less: Deductions Allowable under Existing Law	
34 Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	57,862,057
35 Special Allowable Itemized Deductions *(From Part VI Schedule II Item 5)*	0
36 NOLCO *(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)*	0
37 Total Deductions *(Sum of Items 34 to 36)*	57,862,057
OR *[in case taxable under Sec 27(A) & 28(A)(1)]*	
38 Optional Standard Deduction *(40% of Item 33)*	0

39 Net Taxable Income/(Loss) *(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*	2,944,072
40 Applicable Income Tax Rate	25 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) *(Item 39 x Item 40)*	736,018
42 MCIT Due *(2% of Item 33)*	912,092
43 Tax Due *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)*	912,092

Less: Tax Credits/Payments (attach proof)	
44 Prior Year's Excess Credits Other Than MCIT	26,054,135
45 Income Tax Payment under MCIT from Previous Quarter/s	0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0
47 Excess MCIT Applied this Current Taxable Year *(From Part VI Schedule IV Item 4)*	0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	2,779,354
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	648,532
50 Foreign Tax Credits, if applicable	0
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0
52 Special Tax Credits *(To Part V Item 58)*	0
Other Credits/Payments *(Specify)*	
53	0
54	0

55 Total Tax Credits/Payments *(Sum of Items 44 to 54) (To Part II Item 15)*	29,482,021
56 Net Tax Payable / (Overpayment) *(Item 43 Less Item 55)) (To Part II Item 16)*	(28,569,929)

Part V - Tax Relief Availment	
57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add: Special Tax Credits *(From Part IV Item 52)*	0
59 Total Tax Relief Availment *(Sum of Items 57 and 58)*	0

BIR Form No. **1702-RT** January 2018(ENCS) **Page 3**	**Annual Income Tax Return** **Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate**	1702-RT 01/18ENCS P3

Taxpayer Identification Number (TIN)	**Registered Name**
002 - 837 - 461 - 000	CROWN EQUITIES INC

Schedule I - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	1,292,865
6 Entertainment, Amusement and Recreation	0
7 Fringe Benefits	0
8 Interest	0
9 Losses	0
10 Pension Trust	0
11 Rental	5,400
12 Research and Development	0
13 Salaries, Wages and Allowances	16,137,600
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0
15 Taxes and Licenses	760,443
16 Transportation and Travel	1,179,968
17 Others (Deductions Subject to Withholding Tax and Other Expenses) *[Specify below; Add additional sheet(s), if necessary]*	
a Janitorial and Messengerial Services	448,846
b Professional Fees	2,085,036
c Security Services	6,638,715
d DIRECTORS AND PROFIT SHARING RENUMERATION	8,938,479
e MEETINGS AND SEMINARS	5,465,762
f COMMISSION	2,120,965
g SUPPLIES	2,289,208
h REPAIRS AND MAINTENANCE	1,873,840
i OTHERS	8,624,930

i.1	UTILITIES	1,861,166
i.2	INSURANCE	1,695,125
i.3	DIRECTOR'S FEES	1,644,444
i.4	COMMITTEE MEETINGS	515,000
i.5	COMMISSION ON MARKETABLE SECURITIES	413,351
i.6	LISTING FEES	256,875
i.7	ADS AND PROMOTIONS	156,200
i.8	PHOTOCOPY AND PRINTING	113,216
i.9	ASSOCIATION DUES	79,446
i.10	BANK CHARGES	40,213
i.11	MARKETING EXPENSES	28,689
i.12	DUES AND MEMBERSHIP	21,000
i.13	MAGAZINES AND PERIODICALS	5,794
i.14	MISCELLANEOUS	1,794,411

18 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17i) (To Part IV Item 34)*	57,862,057

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

Description	Legal Basis	Amount
1		0
2		0
3		0
4		0

5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 35)*	0

BIR Form No. 1702-RT January 2018(ENCS) Page 4	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P4

Taxpayer Identification Number (TIN)	Registered Name
002 - 837 - 461 - 000	CROWN EQUITIES INC

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income *(From Part IV Item 33)*	0
2 Less: Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	0
3 Net Operating Loss*(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	0

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

	Net Operating Loss		B) NOLCO Applied Previous Year
	Year Incurred	A) Amount	
4		0	0
5		0	0
6		0	0
7		0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) *[E = A Less (B + C + D)]*
4	0	0	0
5	0	0	0
6	0	0	0
7	0	0	0
8 **Total NOLCO** *(Sum of Items 4D to 7D) (To Part IV, Item 36)*		0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)

	Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	2022	0	209,446	209,446
2	2021	0	446,319	446,319
3	2020	0	728,221	728,221

Continuation of Schedule IV *(Item numbers continue from table above)*

	D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	**F) Excess MCIT Applied this Current Taxable Year**	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	209,446
2	0	0	0	446,319
3	0	728,221	0	0
Total Excess MCIT Applied *(Sum of Items 1F to 3F) (To Part IV Item 47)*			0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income *(attach additional sheet/s, if necessary)*

1	Net Income/(Loss) per books	13,626,833
	Add: Non-deductible Expenses/Taxable Other Income	
2	GROSS PROFIT FROM INSTALLMENT SALES	847,636
3	OTHERS	19,454,773
3.1	SALARIES, WAGES AND OTHER BENEFITS	2,987,486
3.2	DEPRECIATION AND AMORTIZATION	2,119,018
3.3	ASSOCIATION DUES	401,341
3.4	MISCELLANEOUS	3,294,927
3.5	UNREALIZED LOSS ON CHANGES IN FV OF MS	6,449,322
3.6	UNREALIZED GAIN ON CHANGES IN FOREX	4,202,679
4	Total *(Sum of Items 1 to 3)*	33,929,242
	Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5	DIVIDEND INCOME	1,798,795
6	OTHERS	29,186,375
6.1	DIRECTORS PROFIT SHARING AND RENUMERATION	2,049,975
6.2	COMMISSION	942,975
6.3	INTEREST INCOME SUBJECT TO FINAL TAX	25,722,189
6.4	GAIN ON REVERSAL OF ALLOWANCE FOR IMPAIRMENT LOSS	471,236
	B) Special Deductions	
7		0
8		0
9	Total (Sum of Items 5 to 8)	30,985,170
10	Net Taxable Income/(Loss) (Item 4 Less Item 9)	2,944,072

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	3	9	7	4	5

C O M P A N Y   N A M E

CROWN EQUITIES, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number/s	Mobile Number
ebm@crownequitiesinc.com	(632) 8-899-0081	+63 919 076 1391

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
363	4th Tuesday of May	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Eugene B. Macalalag	ebm@crownequitiesinc.com	(632) 8-899-0081	+63 919 076 1391

CONTACT PERSON'S ADDRESS

5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-air Makati City

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
CROWN EQUITIES, INC. AND SUBSIDIARIES
5th Floor Crown Center
158 Jupiter cor. N. Garcia Sts.
Bel-Air Makati City

Opinion

We have audited the consolidated financial statements of CROWN EQUITIES, INC. AND SUBSIDIARIES (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023, 2022 and 2021, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of financial reporting relief issued and approved by the Securities and Exchange Commission.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audits of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Determining the Fair Value and Assessing the Impairment of Investment Properties

The Group's investment properties, which are carried at cost, amounted to ₱1,072.6 million as at December 31, 2023, or approximately 42% of the total consolidated assets.

The valuation of investment properties account is significant to our audit because it involves significant management judgment when selecting the appropriate valuation techniques and inputs used to determine fair value for disclosure purposes and in assessing events or circumstances that may indicate the impairment of the assets.

The Group did not obtain an appraisal valuation as at December 31, 2023 because the Group has assessed that the fair value of the investment properties as at December 31, 2022 did not materially differ from the amounts reported as at December 31, 2023. The latest independent appraiser's report was dated in October 2022.

We obtained management's basis of its assessment that the fair value of investment properties did not materially differ as at December 31, 2023. We have reviewed the reasonableness of the management's basis by performing independent calculations, including (1) testing raw land's fair value by comparison with the fair value of similar properties, (2) testing condominium units and parking slots with the current selling price and (3) recalculating the current replacement cost of the ambulatory clinic less deductions for physical deterioration.

Other Information

Management is responsible for the other information. The other information comprises the information included in SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Wilson P. Teo.

REYES TACANDONG & CO.

WILSON P. TEO
Partner
CPA Certificate No. 92765
Tax Identification No. 191-520-944-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-014-2023
Valid until January 24, 2026
PTR No. 10072414
Issued January 2, 2024, Makati City

March 26, 2024
Makati City, Metro Manila

CROWN EQUITIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2023**	2022
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱785,507,527**	₱645,994,640
Investments in quoted shares	5	**85,865,768**	161,851,145
Receivables	6	**65,200,713**	71,206,861
Inventories	7	**77,831,881**	88,990,602
Other current assets	8	**41,134,039**	40,846,876
Total Current Assets		**1,055,539,928**	1,008,890,124
Noncurrent Assets			
Noncurrent portion of installment contracts receivable	6	**81,243,140**	84,951,745
Noncurrent portion of loans receivable	6	**10,032,911**	–
Investment properties	9	**1,072,639,762**	1,070,106,650
Property and equipment	10	**271,392,417**	270,121,934
Goodwill	11	**21,740,604**	21,740,604
Deferred tax assets	24	**20,745,448**	21,012,556
Other noncurrent assets	12	**17,888,476**	17,841,253
Total Noncurrent Assets		**1,495,682,758**	1,485,774,742
		₱2,551,222,686	₱2,494,664,866

LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	13	**₱157,039,145**	₱156,181,308
Income tax payable		**1,162,508**	1,747,040
Total Current Liabilities		**158,201,653**	157,928,348
Noncurrent Liabilities			
Net retirement benefits liability	14	**26,979,499**	23,954,096
Deferred tax liabilities	24	**14,721,131**	15,375,782
Security deposits	23	**4,402,933**	3,839,825
Total Noncurrent Liabilities		**46,103,563**	43,169,703
Total Liabilities		**₱204,305,216**	₱201,098,051

(Forward)

		December 31	
	Note	**2023**	2022
Equity			
Capital stock	15	**₱1,977,523,246**	₱1,977,523,246
Additional paid-in capital	15	**118,570,274**	118,570,274
Retained earnings		**581,666,853**	542,137,569
Other comprehensive loss		**(18,771,021)**	(19,038,931)
		2,658,989,352	2,619,192,158
Treasury stock - at cost	15	**(481,523,251)**	(481,523,251)
Equity attributable to equity holders of the Parent Company		**2,177,466,101**	2,137,668,907
Non-controlling interests	15	**169,451,369**	155,897,908
Total Equity		**2,346,917,470**	2,293,566,815
		₱2,551,222,686	₱2,494,664,866

See accompanying Notes to Consolidated Financial Statements.

CROWN EQUITIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2023**	2022	2021
REVENUE	16			
Sale of services		**₱68,697,725**	₱65,470,038	₱51,259,195
Real estate sales		**63,181,118**	112,671,264	110,123,650
Rental income	23	**16,622,127**	14,455,349	13,578,759
Interest income from installment contracts receivable	4	**16,170,301**	19,571,409	20,118,526
Dividend income	5	**5,757,732**	10,611,771	14,420,616
		170,429,003	222,779,831	209,500,746
DIRECT COSTS	17	**53,084,260**	70,858,102	66,409,339
GROSS INCOME		**117,344,743**	151,921,729	143,091,407
SELLING AND ADMINISTRATIVE EXPENSES	18	**(98,679,608)**	(104,435,330)	(88,312,928)
OTHER INCOME - Net	20	**44,332,582**	35,622,109	56,379,721
INCOME BEFORE INCOME TAX		**62,997,717**	83,108,508	111,158,200
PROVISION FOR (BENEFIT FROM) INCOME TAX	24			
Current		**10,466,961**	13,660,694	11,050,834
Deferred		**(495,632)**	978,169	5,455,386
		9,971,329	14,638,863	16,506,220
NET INCOME		**53,026,388**	68,469,645	94,651,980
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement gain on net retirement benefits liability, net of tax effect	14	**324,267**	1,824,004	7,248,295
Unrealized fair value loss on financial assets at fair value through other comprehensive income (FVOCI)		**–**	–	(32,000,000)
TOTAL COMPREHENSIVE INCOME		**₱53,350,655**	₱70,293,649	₱69,900,275

NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱39,529,284**	₱50,664,302	₱75,709,746
Non-controlling interests		**13,497,104**	17,805,343	18,942,234
		₱53,026,388	₱68,469,645	₱94,651,980

		Years Ended December 31		
	Note	**2023**	2022	2021
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱39,797,194**	₱52,436,950	₱50,683,623
Non-controlling interests		**13,553,461**	17,856,699	19,216,652
		₱53,350,655	₱70,293,649	₱69,900,275
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	22	**₱0.00264**	₱0.00339	₱0.00506

See accompanying Notes to Consolidated Financial Statements.

CROWN EQUITIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	**2023**	2022	2021
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
CAPITAL STOCK	15	**₱1,977,523,246**	₱1,977,523,246	₱1,977,523,246
ADDITIONAL PAID-IN CAPITAL	15	**118,570,274**	118,570,274	118,570,274
RETAINED EARNINGS				
Balance at beginning of year		**542,137,569**	491,473,267	415,763,521
Net income		**39,529,284**	50,664,302	75,709,746
Balance at end of year		**581,666,853**	542,137,569	491,473,267
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Cumulative Unrealized Fair Value Losses on Financial Assets at FVOCI				
Balance at beginning of year		**(32,000,000)**	(32,000,000)	–
Unrealized loss on fair value changes		**–**	–	(32,000,000)
Balance at end of year		**(32,000,000)**	(32,000,000)	(32,000,000)
Cumulative Remeasurement Gains on Net Retirement Benefits Liability	14			
Balance at beginning of year		**12,961,069**	11,188,421	4,214,544
Remeasurement gain, net of tax		**267,910**	1,772,648	6,973,877
Balance at end of year		**13,228,979**	12,961,069	11,188,421
		(18,771,021)	(19,038,931)	(20,811,579)
TREASURY STOCK - at cost	15	**(481,523,251)**	(481,523,251)	(481,523,251)
		2,177,466,101	2,137,668,907	2,085,231,957
NON-CONTROLLING INTERESTS	15			
Balance at beginning of year		**155,897,908**	169,195,055	163,478,403
Total comprehensive income		**13,553,461**	17,856,699	19,216,652
Dividends declared by a subsidiary		**–**	(31,153,846)	(13,500,000)
Balance at end of year		**169,451,369**	155,897,908	169,195,055
		₱2,346,917,470	₱2,293,566,815	₱2,254,427,012

See accompanying Notes to Consolidated Financial Statements.

CROWN EQUITIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31		
		2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱62,997,717**	₱83,108,508	₱111,158,200
Adjustments for:				
Interest income from:	4			
Cash in banks and short-term placements		**(33,708,244)**	(11,013,535)	(3,065,228)
Installment contracts receivable		**(16,170,301)**	(19,571,409)	(20,118,526)
Loans receivable		**(41,167)**	(999,999)	(118,056)
Depreciation and amortization	9	**14,820,039**	12,205,647	11,929,797
Unrealized loss (gain) on the changes in fair value of investments in quoted shares	5	**6,069,675**	2,871,773	(39,914,761)
Dividend income	5	**(5,757,732)**	(10,611,771)	(14,420,616)
Retirement benefits cost	14	**3,800,306**	9,786,814	5,635,251
Unrealized foreign exchange gain	20	**(970,289)**	(5,172,968)	(585,074)
Reversal of allowance for impairment losses on receivables	20	**(523,257)**	(112,289)	–
Gain on sale of investment properties	9	**–**	(26,401,480)	–
Operating income before working capital changes		**30,516,747**	34,089,291	50,500,987
Decrease (increase) in:				
Investments in quoted shares		**69,915,702**	51,558,127	6,760,691
Receivables		**10,500,474**	(15,827,373)	(19,960,412)
Inventories		**10,310,938**	22,832,603	25,154,635
Other assets		**1,716,748**	8,706,914	8,066,316
Increase (decrease) in:				
Accounts and other payables		**857,837**	(8,536,929)	15,160,722
Security deposits		**563,108**	434,928	215,317
Net cash generated from operations		**124,381,554**	93,257,561	85,898,256
Interest received		**49,919,712**	31,584,943	23,301,810
Income taxes paid		**(13,102,627)**	(16,806,138)	(9,313,875)
Dividends received		**5,757,732**	10,611,771	14,420,616
Payments of retirement benefits	14	**(342,547)**	(3,712,500)	–
Net cash flows from operating activities		**166,613,824**	114,935,637	114,306,807

(Forward)

	Note	Years Ended December 31 **2023**	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of and additions to:				
Property and equipment	10	**(₱14,581,251)**	(₱15,122,225)	(₱25,481,633)
Investment properties	9	**(3,194,600)**	(1,985,256)	–
Loans granted to a third party	6	**(10,310,872)**	–	(20,000,000)
Collections of loans receivable	6	**15,497**	20,000,000	25,000,000
Proceeds from sale of investment properties	9	**–**	31,432,500	–
Net cash flows from (used in) investing activities		**(28,071,226)**	34,325,019	(20,481,633)
CASH FLOW FROM A FINANCING ACTIVITY				
Payments of dividends to non-controlling interests	15	**–**	(31,153,846)	(13,500,000)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**970,289**	5,172,968	585,074
NET INCREASE IN CASH AND CASH EQUIVALENTS		**139,512,887**	123,279,778	80,910,248
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**645,994,640**	522,714,862	441,804,614
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱785,507,527**	₱645,994,640	₱522,714,862

SUPPLEMENTARY INFORMATION ON NONCASH ACTIVITY	7			
Reclassification from inventories to investment property		**₱847,783**	₱–	₱–
Reclassification from investment property to inventories		**–**	4,742,400	–

COMPONENTS OF CASH AND CASH EQUIVALENTS	4			
Cash on hand		**₱20,000**	₱20,000	₱24,208
Cash in banks		**179,794,515**	103,478,463	50,518,939
Short-term placements		**605,693,012**	542,496,177	472,171,715
		₱785,507,527	₱645,994,640	₱522,714,862

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 AND 2022
AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. **General Information**

Corporate Information

Crown Equities, Inc. (“CEI” or the “Parent Company”), a public corporation under Section 17.2 of the Securities Regulation Code (SRC), was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 24, 1969. The registration was extended for another 50 years in 2018. Under the Revised Corporation Code of the Philippines (the “RCC”), which was signed into law on February 20, 2019, a corporation with certificate of incorporation issued prior to the effective date of the RCC and which continues to exist shall have perpetual existence. Accordingly, the Parent Company has perpetual corporate term. The Parent Company is an investment holding company, currently engaged in the business of real estate development and healthcare through its subsidiaries. Its shares of stock are listed on the Philippine Stock Exchange (PSE).

The Parent Company’s registered office address is located at the 5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air Makati City.

Subsidiaries

The consolidated financial statements include the accounts of CEI and the following subsidiaries (collectively referred herein as the “Group”) as at December 31, 2023, 2022 and 2021:

Name of Subsidiary	% of Ownership	Nature of Business	Principal Place of Business
Crown Central Properties, Corp. (CCPC)	48%	Real Estate	Biñan, Laguna
Parkfield Land Holdings, Inc. (PLHI)	75%	Real Estate	Makati City
Healthcare Systems of Asia Phils., Inc (HSAPI)	97%	Holding	Makati City
Fortmed Medical Clinics Makati, Inc. (FMCMI) [(a)]	97%	Healthcare	Makati City
Argent Capital Holdings Corporation (ACHC)	100%	Holding	Makati City

(a) Indirectly owned through HSAPI.

CCPC. CCPC was incorporated and registered with the SEC on September 3, 1996 and is engaged in acquiring, developing and selling real estate properties. CCPC has completed projects in Palma Real Residential Estates, located in Biñan, Laguna (see Note 23).

Management has determined that the Parent Company has control over the financial and operating policies of CCPC through representation on the Board of Directors (BOD) (see Note 3).

PLHI. PLHI was incorporated and registered with the SEC on April 11, 2001 and is engaged in acquiring, developing and selling real estate properties. As at December 31, 2023 and 2022, PLHI only holds parcels of land for undeterminable future use.

HSAPI. HSAPI was incorporated and registered with the SEC on July 26, 1996 as an investment holding company. HSAPI owns 100% interest ownership in FMCMI.

FMCMI. FMCMI was incorporated and registered with the SEC on January 21, 1997 and is engaged in providing and delivering medical and health care services. FMCMI has two clinics located in Makati City and Sta. Rosa City, Laguna.

ACHC. ACHC was incorporated and registered with the SEC on August 28, 2019 and is engaged in investing activities.

Approval of Consolidated Financial Statements

The consolidated financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issuance by the Executive Committee on March 26, 2024, as authorized by the Board of Directors (BOD) on February 27, 2024 and endorsed by the Audit Committee on March 18, 2024.

2. Summary of Material Accounting Policy Information

The material accounting policy information used in the preparation of the consolidated financial statements have been consistently applied to all years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRSs, Philippine Accounting Standards (PASs) and Philippine Interpretations on International Financial Reporting Interpretations Committee (IFRIC).

On December 15, 2020, the SEC issued Memorandum Circular (MC) No. 34, Series of 2020, which further extends the deferral of application of the provision of the Philippine Interpretations Committee (PIC) Question & Answer (Q&A) No. 2018-12 with respect to accounting for significant financing component and exclusion of land in the calculation of percentage of completion (POC) and IFRIC Agenda Discussion on over time transfers of construction goods under PAS 23, *Borrowing Costs*, for another period of three years or until 2023.

The Group opted to avail the relief in connection with the accounting for significant financing component, exclusion of land in calculation of POC, and borrowing cost. The impact of the application of such financial reporting relief is discussed in "Amended PFRSs and PIC Issuances in Issue but Not Yet Effective or Adopted" section of the notes to the consolidated financial statements.

Bases of Measurement

The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional currency. All values are rounded to the nearest Peso except when otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis except for investments in quoted shares designated as financial assets at fair value through profit or loss (FVPL), investment in unquoted shares designated as financial assets at fair value through other comprehensive income (FVOCI), and net retirement benefits liability which is carried at the present value of the defined benefit obligation net of the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes to consolidated financial statements:

- Note 3 – Significant Judgments, Accounting Estimates and Assumptions
- Note 5 – Investments in Quoted Shares
- Note 9 – Investment Properties
- Note 12 – Investment in Unquoted Shares under "Other Noncurrent Assets"
- Note 25 – Fair Value of Financial Assets and Liabilities

Adoption of Amendments to PFRSs

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRSs effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgments – Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

- Amendments to PAS 12, *Income Taxes – Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amendments to PFRSs did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amended PFRSs and PIC Issuances in Issue but Not Yet Effective or Adopted

Relevant amended PFRSs and PIC issuances, which are not yet effective as at December 31, 2023 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 – *Classification of Liabilities as Current or Noncurrent* for that period.

- PIC Q&A 2018-12-D, *PFRS 15, Implementing Issues Affecting the Real Estate Industry (as amended by PIC Q&A 2020-4)* – On December 15, 2020, the SEC issued SEC MC No. 34-2020 providing relief to the real estate industry by deferring the application of "assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (with an addendum in PIC Q&A 2020-04)" until December 31, 2023.

- PIC Q&A 2018-12-E, *Treatment of Land in the Determination of the POC* – The PIC Q&A clarified that the cost of the land should be excluded in measuring the POC of performance obligation and should be accounted for as fulfillment cost.

  The Group availed of the SEC relief with respect to accounting for significant financing component and treatment of land in the determination of POC. Management assessed that the adoption of this PIC on January 1, 2024 will not have a significant impact considering that the Group 's ongoing project is estimated to be completed in 2024 / are already completed and available for sale. Management also assessed that the adoption will not have a significant impact on any new projects that the Group will start in 2024.

Effective for annual periods beginning on or after January 1, 2025 -

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of consolidated financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements,* and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRSs and PIC issuances is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation
The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries.

Subsidiaries. Subsidiaries are entities in which the Group has control. The Group controls a subsidiary if it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Control is generally accompanied by a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls an entity. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the subsidiaries acquired or disposed of are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in the ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of interest retained.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group, presented within equity in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent Company. Non-controlling interests represent the interests of minority shareholders of CCPC, PLHI, HSAPI and FMCMI.

Business Combination and Goodwill

Acquisitions of businesses are accounted for using the acquisition method. The acquisition cost is measured as the sum of the considerations transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in selling and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

When the business combination is achieved in stages, any previously held non-controlling interests is re-measured at the date of obtaining control and a gain or loss is recognized in profit or loss.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the Group reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts and recognizes additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period ends at the date the Group receives the information about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable but should not exceed one year from the acquisition date.

Goodwill, which arose from the acquisitions of controlling shares in HSAPI in 2014, is initially measured at the acquisition date as the sum of the fair value of consideration transferred; the recognized amount of any non-controlling interests in the acquiree; and, if the business combination is achieved in stages, the fair value of existing equity interest in the acquiree less the fair value of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the bargain purchase gain is recognized directly in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the entity's cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the entity are assigned to those units or groups of units. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes.

Where goodwill has been allocated to a cash-generating unit or group of cash generating units and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation in determining the gain or loss on disposal. Goodwill disposed in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Financial Assets and Liabilities

Recognition and Measurement

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way of purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVPL, includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification
The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

As at December 31, 2023 and 2022, the Group does not have financial liabilities at FVPL.

Financial Assets at FVPL. Financial assets at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not "solely for payment of principal and interest" assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Group may, at initial recognition, designate a financial asset meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset or financial liability at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2023 and 2022, the Group designated its investments in quoted shares as financial assets at FVPL.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through an amortization process. Financial assets at amortized cost are included under current assets if realizability or collectibility is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2023 and 2022, the Group’s cash and cash equivalents, receivables, refundable deposits and construction bond (both presented under “Other assets”) are classified under this category.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and which are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in other comprehensive income and presented in the equity section of the consolidated statement of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, even if the asset is sold or impaired. The cumulative fair value adjustment is transferred to retained earnings when the asset is sold.

As at December 31, 2023 and 2022, the Group designated its investment in unquoted shares as a financial asset at FVOCI.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2023 and 2022, the Group's accounts and other payables (excluding contract liabilities, statutory payable, deposits for document processing, and unearned rental income) and security deposits are classified under this category.

Reclassification
The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset. The financial asset is measured at the reclassification day as if it had always been measured at amortized cost.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed of. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment
The Group records an allowance for expected credit losses (ECL) which is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables (excluding installment contracts receivable), the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For installment contracts receivable and other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amounts reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Inventories
Inventories are initially measured at cost. Subsequently, inventories are stated at the lower of cost and net realizable value (NRV).

Real Estate Inventories. Real estate inventories include constructed houses, lots, condominium units and parking slots which are for sale in the ordinary course of business rather than to be held for rental or capital appreciation. Costs include the acquisition cost of the land plus costs incurred for development and improvement of the properties. NRV is the estimated selling price in the ordinary course of business less estimated costs to complete and sell. Cost represents price using a specific identification method.

Medical Supplies. Medical supplies pertain to medical, laboratory and pharmacy supplies. Costs comprise purchase price determined using the first-in, first-out method plus other costs that have been incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price less costs to sell. In determining the NRV, the Group considers any adjustment necessary for obsolescence.

When the NRV of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of inventories and recognizes the write-down as an expense in profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in NRV, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs. When inventories are sold or used in operations, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

When inventories are sold, the carrying amount of those inventories is recognized to profit or loss in the year when the related revenue is recognized.

Creditable Withholding Taxes (CWTs)
CWTs represent the amount withheld by the Group's customers in relation to its income. CWTs can be carried forward to the succeeding year when in excess of income tax payable and utilized as payment for income taxes provided that these are properly supported with certificates of creditable tax withheld at source. CWTs are stated at face amount less any impairment in value.

<u>Investment Properties</u>
Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties, except land, are measured at cost less accumulated depreciation and any impairment in value. Land is stated at cost less any impairment in value. The carrying amount includes the cost of replacing part of existing investment properties at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of investment properties.

Depreciation are calculated on a straight-line basis over the estimated useful life of 30 years.

The estimated useful life and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of investment properties.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Investment properties are derecognized when either these have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in profit or loss in the year of retirement or disposal.

<u>Property and Equipment</u>
Property and equipment, except land and construction-in-progress (CIP), are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

CIP represents the on-going construction of the additional floor of the building and is stated at cost including costs of construction and other direct costs. This is not depreciated until such time that the relevant assets are completed and ready for operational use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives:

Asset type	Useful Life in Years
Building and building improvements	10 to 30
Medical equipment	5 to 7
Transportation equipment	5
Office furniture, fixtures and equipment	3 to 5

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated and amortized assets are retained in the accounts until they are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Interests in Joint Operations

A joint arrangement is an arrangement whereby the parties are bound by a contractual arrangement and such contractual arrangement gives two or more of those parties joint control of the arrangement. A joint arrangement is either a joint operation or joint venture.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group accounted for its interests in Santa Lucia Realty and Development Inc. (SLRDI) and David M. Consunji, Inc. (DMCI) as joint operations (see Note 23).

A joint operation involves the use of assets and other resources of the Group and other venturers rather than the establishment of a corporation, partnership or other entity. The Group accounts for the assets it controls, and the liabilities and expenses it incurs, and the share of the income that it earns from the sale of goods, properties or services by the joint operation. The assets contributed to the joint operation are measured at the lower of cost or NRV.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined (net of depreciation and amortization for investment properties and property and equipment) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Employee Benefits

Short-term Benefits. Short-term employee benefits are recognized as an expense in the period when the economic benefits are given. Unpaid benefits at the end of the accounting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences and non-monetary benefits.

Retirement Benefits. The retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit liability is performed by a qualified actuary.

The Group recognizes current service costs, past service costs and interest expense on the retirement benefits liability in profit or loss. Interest expense is calculated by applying the discount rate to the retirement benefits liability at the beginning of the year, taking into account any changes in the defined obligation during the period as a result of benefit payments.

Remeasurements of the net retirement benefits liability, which pertains to actuarial gains and losses, are recognized immediately in other comprehensive income in the period in which they arise.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The net retirement benefits liability recognized by the Group is the present value of the defined benefit obligation reduced by the fair value of plan assets. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefits liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Equity

Capital Stock and Additional Paid-in Capital (APIC). Capital stock is measured at par value for all shares subscribed and/or issued. Incremental costs, net of tax, incurred that are directly attributable to the issuance of new shares are recognized in equity as a reduction from related APIC or retained earnings. Excess of proceeds or fair value of the consideration received over par value is recognized as APIC.

Retained Earnings. Retained earnings represent the cumulative balance of the Group's results of operations, net of dividends. Retained earnings may also include the effect of changes in accounting policy as may be required by the standard's transitional provision.

Dividend Distribution. Dividends are recognized as a liability and deducted from equity when declared by the BOD and the shareholders of the Parent Company. Dividends for the year that are declared after the reporting date are dealt with as an event after the reporting date.

Other Comprehensive Loss. This pertains to the cumulative unrealized fair value losses on financial assets at FVOCI and cumulative remeasurement gain on the Group's net retirement benefits liability arising from experience adjustments and changes in financial assumptions. Unrealized fair value loss on financial assets at FVOCI and remeasurements of net retirement benefits liability, and the corresponding deferred tax component of the remeasurements of net retirement benefits liability, are recognized immediately in other comprehensive income and are included in equity. These are not reclassified to profit or loss in subsequent periods.

Treasury Stock. Own equity instruments which are reacquired are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Voting rights related to treasury stock are nullified for the Group and no dividends are allocated to them.

Revenue Recognition

The Group generates revenue primarily from real estate sales and sale of premium quality healthcare services. Other revenue sources include rental income from investment properties.

Revenue from Contracts with Customers. Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized.

- *Real Estate Sales*. The Group assesses whether it is probable that the economic benefits will flow to the Group when the contract price is collectible. Collectibility of the contract price is demonstrated by the buyer's commitment to pay, which is supported by the buyer's initial and continuous investments that motivate the buyer to honor its obligation. Collectibility is also assessed by considering factors such as collections and credit standing of the buyer.

  The collectibility of the sales price is considered reasonably assured when a substantial portion of the contract price is received and continuing payment is made by the buyer giving the buyer a substantial stake in the property sufficient to motivate the buyer to fulfill its purchase commitment.

  Revenue from sales of completed real estate projects is generally accounted for using the full accrual method.

  Pending recognition of sale, cash received from buyers are presented as "Contract liabilities" account in the consolidated statements of financial position. Collections for processing of deed of sale and other documents necessary in transferring titles to real estate buyers are presented as "Deposits for document processing" under "Accounts and other payables" in the consolidated statements of financial position.

  For tax purposes, full recognition is applied when more than 25% of the selling price has been collected in the year of sale. Otherwise, the installment method is applied.

- *Sale of Services*. Revenue is recognized when the performance of contractually agreed healthcare services has been rendered. Revenue from healthcare services is gross of physician's fee.

Revenue from Other Sources. Revenue from other sources is recognized as follows:

- *Rental Income.* Rental income is recognized on a straight-line basis over the lease term. Income collected in advance is deferred and is included as "Unearned rental income" in "Accounts and other payables" account in the consolidated statements of financial position.

- *Dividend Income.* Dividend income is recognized on the date when the Group's right to receive payment is established.

- *Interest Income.* Interest income from financial assets at FVPL is included in the net fair value gains (losses) on these assets. Interest income on financial assets at amortized cost calculated using the effective interest method is recognized as interest income under revenue. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Interest income is presented as such where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Other Income
The Group's other sources of income, which are mainly from gains on disposal of assets, forfeiture of customer deposits, surcharges, and other fees, are recognized as income when earned.

Contract Balances

- *Receivables*. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

- *Contract Assets*. A contract asset is the right to a consideration in exchange for goods or services transferred to a customer. If the Group performs by transferring goods or services to a customer before the customer pays a consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

  As at December 31, 2023 and 2022, the Group does not have outstanding contract assets.

- *Contract Liabilities*. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration is due) from the customer. If a customer pays a consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made by the customer or when the payment is due (whichever is earlier). Contract liabilities are recognized as revenue as the Group performs its obligation under the contract. Contract liabilities also include payments received by the Group from customers for which revenue recognition has not yet commenced and payments in excess of revenue recognized based on percentage of completion.

  As at December 31, 2023 and 2022, the balances of contract liabilities are disclosed in Note 13.

- *Cost to Obtain a Contract.* If the Group expects to recover the incremental costs of obtaining a contract with a customer, the costs are recognized as an asset. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Selling and administrative expenses" account in the consolidated statements of comprehensive income. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

- *Contract Fulfillment Asset.* Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group first considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15. If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of these criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

As at December 31, 2023 and 2022, the Group does not have cost to obtain a contract and contract fulfillment asset.

Cost and Expense Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Cost of Real Estate Sold. Cost of real estate sold is recognized in profit or loss upon sale and is determined with reference to the specific costs incurred on the property, allocated to saleable areas based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Cost of Services. Cost of services is recognized as expense when the related services are rendered.

Selling and Administrative Expenses. Selling and administrative expenses constitute costs incurred to sell and market the goods and costs of administering the business. These are recognized as expenses in the period when these are incurred.

Foreign Currency Transactions and Translation
Transactions in currencies other than Peso are initially recorded using the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the year.

For income tax reporting purposes, foreign exchange gains or losses are treated as taxable income or deductible expenses in the year such are realized.

Leases
The Group assesses whether the contracts are, or contains a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and

ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

The Group as a Lessee. At the commencement date, the Group recognizes right-of-use (ROU) assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT can be utilized within the period allowed by the tax regulations.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized within the period allowed by the tax regulations. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Related Party Relationships and Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities that are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if (i) these transactions amount to 10% or higher of the Group’s total assets or, (ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group’s total assets. Details of transactions entered into by the Group with related parties are reviewed by independent directors in accordance with the Group's related party transactions policy.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase due to the passage of time is recognized as interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

Earnings Per Share (EPS)

The Group presents basic and diluted EPS data for its common shares.

Basic EPS is calculated by dividing the net income attributable to Parent Company by the weighted average number of common shares issued and outstanding during the year. The Parent Company does not have potential dilutive shares.

Operating Segments

For management purposes, the Group is divided into operating segments per products/services, (real estate, healthcare services, and investment holdings) according to the nature of the products and services provided. The Group's identified operating segments are consistent with the segments reported to the BOD which is the Group's chief operating decision maker. Financial information on operating segments is presented in Note 27.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to exercise judgments, make accounting estimates and use assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments and accounting estimates used in the consolidated financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the year in which the estimate is revised if the change affects only that year or in the year of the revision and future periods if the change affects both current and future years.

The Group believes that the following represent a summary of these significant judgments, accounting estimates and assumptions and the related impact and associated risks in the consolidated financial statements:

Classifying Financial Instruments. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

Management has determined that the Group's investments in quoted shares are acquired principally for the purpose of selling in the near term; hence, the Group classified its investments in quoted shares as financial assets at FVPL.

Management has determined that the Group's investments in unquoted shares is to be held indefinitely and will be sold in response to liquidity requirements; hence, the Group classified its investments as financial assets at FVOCI.

Classifying a Property. The Group determines whether a property is classified as real estate inventories, investment properties, or property and equipment:

- Real estate inventories comprise properties that are held for sale in the ordinary course of business. Principally, these are condominium units and residential properties that the Group develops and intends to sell before or on completion of construction.

- Investment properties consist of properties which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Property and equipment are tangible items that are held for use in the delivering or supply of goods or services and are expected to be used for more than one period. These are properties which are owner-occupied and are substantially for use of the Group or in the operations.

Assessing Contingencies. The Group is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Group's management and legal counsel believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements. Accordingly, no liability for probable losses arising from contingencies was recognized in the consolidated financial statements as at December 31, 2023 and 2022.

Classifying Lease Commitments. The Group as lessor has entered into lease agreements for its office building and condominium units. The Group has determined, based on the evaluation of terms and conditions of agreement, that as lessor it retains all the significant risks and benefits of ownership related to the leased properties. Accordingly, the agreements are accounted for as operating leases.

The amount of rental income earned is disclosed in Note 23.

Determining Control over Investee Companies. Control over an investee is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Management has determined that the Parent Company has control over the financial and operating policies of CCPC through representation on the BOD of CCPC. Accordingly, CCPC is considered as a subsidiary.

Identifying Performance Obligation. The Group has various contracts to sell covering (a) houses and lots and (b) condominium units. The Group concluded that there is one performance obligation in each of these contracts because, for houses and lots, the Group integrates the lots it sells with the associated infrastructure to be able to transfer the lot promised in the contract. For the contract covering condominium units, the Group has the obligation to deliver the condominium unit duly constructed in a specific lot and fully integrated into the land in accordance with the approved plan. Included also in this performance obligation is the Group's service to transfer the title of the real estate unit to the customer.

Determining Revenue and Cost Recognition. Selecting an appropriate revenue recognition method for a particular real estate transaction requires certain judgments based on the buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment and completion of development. The Group concluded that revenue for real estate sales for completed real estate projects is to be recognized at a point in time, when control is transferred. The control is transferred when the customer has accepted the asset and the customer acceptance of an asset may indicate that it has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The amounts of real estate sales and cost of real estate sold are disclosed in Notes 16 and 17, respectively.

Determining Reportable Operating Segments. The Group has determined that it has reportable segments based on the following thresholds:

a. Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.

b. The absolute amount of its reported profit or loss is 10% or more, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss.

c. Its assets are 10% or more of the combined assets of all operating segments.

Assessing ECL. While cash and cash equivalents, refundable deposits and construction bond are also subject to the impairment requirements of PFRS 9, the assessed impairment loss is not material.

Trade Receivables (Excluding Installment Contracts Receivable). The Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are initially based on the Group's historical default rates. These historical default rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their payables to the Group. The Group has identified macroeconomic factors (i.e. gross domestic product growth rates, foreign exchange rates, inflation rate, etc.) that are relevant, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The assessment of the correlation between historical default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Installment Contracts Receivable and Other Financial Assets at Amortized Cost. The Group applies the general approach in measuring ECL which uses a 12-month or lifetime ECL for all installment contracts receivable and other financial assets at amortized cost. To measure the ECL, these have been grouped based on shared credit risk characteristics and the days past due.

The information about the ECL on the Group's financial assets at amortized cost is disclosed in Note 26. The amount of impairment loss on receivables is disclosed in Note 6. The carrying amounts of these financial assets are disclosed in Notes 4, 6, 8 and 12.

Estimating the Fair Value of Financial Instruments. When the fair values of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the net asset method. The inputs to this method are based on net asset value on the consolidated statements of financial position, but where these are not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

The information on fair value measurement of financial assets and liabilities is disclosed in Note 25.

Estimating the NRV of Inventories. The Group determines the NRV of inventories annually in accordance with the accounting policy stated in Note 2. In determining the NRV, the Group considers the current selling price of the inventories for sale and estimated costs to complete and sell. The Group writes down the carrying amount of the inventories when the NRV becomes lower than the carrying amount.

The amount of inventories carried at the lower of cost and NRV is disclosed in Note 7.

Estimating the Useful Lives of Investment Properties and Property and Equipment. The useful lives of the Group's investment properties (excluding land) and property and equipment (excluding land and CIP) are estimated based on the period over which the assets are expected to be available for use. The estimation of the useful lives of investment properties and property and equipment is also based on a collective assessment of industry practices, internal technical valuation and experience with similar assets. The estimated useful life is reviewed and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, or legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in these factors and circumstances.

There were no changes in the estimated useful lives of these assets in 2023, 2022 and 2021. The carrying amounts of investment properties and property and equipment are disclosed in Notes 9 and 10, respectively.

Determining the Fair Value of Investment Properties. Investment properties are measured at cost but fair values are disclosed. The Group engaged external qualified appraiser to determine the fair value of its investment properties. The fair values of investment properties were based on the valuation performed in 2022 using appropriate valuation techniques. The fair values of land and condominium units and parking slots were determined using market data approach while fair values of ambulatory were determined using depreciated replacement cost. Market data approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. If there is limited data within the area, the independent appraiser considers the expansion of the research on properties considered comparable. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element. Depreciated replacement cost involves calculating the current replacement cost of the assets less deductions for physical deterioration and all relevant forms of obsolescence. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 9 to the consolidated financial statements.

The Group did not obtain an appraisal valuation as at December 31, 2023 because the Group has assessed that the fair value of the investment properties as at December 31, 2022 did not materially differ from the amounts reported as at December 31, 2023. The latest independent appraiser's report was dated in October 2022.

For the purpose of fair value disclosures, the Group has determined the nature, characteristics and risks of the investment properties and the level of the fair value hierarchy.

Details of investment properties are disclosed in Note 9 to the consolidated financial statements.

Assessing the Impairment of Nonfinancial Assets and Goodwill. The Group assesses impairment on its nonfinancial assets (excluding goodwill) whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Recoverable amount represents the greater of the fair value less cost to sell and the value in use.

Goodwill is tested for impairment annually and more frequently, when circumstances indicate that the carrying amount may be impaired.

No provision for impairment loss was recognized on nonfinancial assets (except investment properties) and goodwill. The carrying values of the Group's other assets (excluding refundable deposits and construction bond), property and equipment and goodwill are disclosed in Notes 8, 10, 11 and 12.

Provision for losses on and carrying amount of investment properties are disclosed in Note 9.

Determining the Net Retirement Benefits Liability. The determination of the obligation and costs of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. The assumptions are described in Note 14 to the consolidated financial statements and include, among others, discount rates and salary increase rates.

The amount of retirement benefits costs recognized and the carrying amount of net retirement benefits liability are disclosed in Note 14.

Assessing the Recognition of Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized within the period allowed by the tax regulations. The Group's assessment on the recognition of deferred tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenue and expenses.

The amounts of recognized and unrecognized deferred tax assets are disclosed in Note 24.

4. Cash and Cash Equivalents

This account consists of cash on hand, cash in banks and short-term placements.

Cash in banks earn interest at prevailing bank deposit rates.

Short-term placements are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at prevailing short-term placement rates.

Interest income earned is from the following:

	Note	**2023**	2022	2021
Cash in banks and short-term placements	20	**₱33,708,244**	₱11,013,535	₱3,065,228
Installment contracts receivable	6	**16,170,301**	19,571,409	20,118,526
Loans receivable	6	**41,167**	999,999	118,056
		₱49,919,712	₱31,584,943	₱23,301,810

5. Investments in Quoted Shares

This account pertains to marketable equity shares that are listed and traded in the PSE and the Singapore Stock Exchange, which are classified as financial assets at FVPL. The fair value of the marketable equity securities amounted to ₱85.9 million and ₱161.9 million as at December 31, 2023 and 2022, respectively.

The fair values were determined based on the closing bid prices at the reporting date (Level 1 hierarchy) (see Note 25).

Unrealized gain (loss) on the changes in fair value on investments in quoted shares amounted to (₱6.1 million), (₱2.9 million) and ₱39.9 million in 2023, 2022 and 2021, respectively (see Note 20).

Sale of investments in quoted shares resulted in a realized gain (loss) of ₱11.9 million, (₱9.3 million), ₱9.3 million in 2023, 2022, and 2021, respectively (see Note 20).

Dividend income was derived from the following (see Note 16):

	Note	**2023**	2022	2021
Quoted shares		**₱5,757,732**	₱10,611,771	₱10,784,429
Unquoted shares	12	**–**	–	3,636,187
		₱5,757,732	₱10,611,771	₱14,420,616

6. Receivables

This account consists of:

	Note	**2023**	2022
Installment contracts receivable		**₱99,505,963**	₱104,746,824
Due from a Project Developer	23	**30,808,394**	32,434,289
Receivables from:			
Patient services		**17,049,403**	16,284,549
Contractors		**12,741,843**	12,741,843
Real estate buyers		**1,927,834**	5,183,994
Loans receivable		**10,295,375**	–
Billed rentals	23	**1,879,676**	1,707,535
Others		**4,323,913**	5,950,300
Total receivables		**178,532,401**	179,049,334
Allowance for impairment losses		**(22,055,637)**	(22,890,728)
Net receivables		**156,476,764**	156,158,606
Less noncurrent portion of installment contracts receivable		**81,243,140**	84,951,745
Noncurrent portion of loans receivable		**10,032,911**	–
		₱65,200,713	₱71,206,861

Installment Contracts Receivable

Installment contracts receivable pertain to real estate sales. These are collectible in various installment periods of between one to 15 years and earn interest at 10% to 16% per annum.

Interest income earned from installment contracts receivable amounted to ₱16.2 million, ₱19.6 million and ₱20.1 million in 2023, 2022 and 2021, respectively (see Note 4).

Other Receivables

Due from a Project Developer relates to collections of installment receivables by a developer. These are to be remitted to the Group.

Receivables from patient services are noninterest-bearing and are normally collectible within 30 to 60 days.

Receivables from contractors pertain to advance payments made to contractors. These are fully impaired and provided with allowance for impairment loss.

Receivable from real estate buyers includes processing fees paid by the Group that are necessary to transfer the title to the buyers which are chargeable to the buyers.

Loans Receivable
The Parent Company granted loans receivable to third parties.

In 2023, the Parent Company entered into a loans and security agreement with a third party (the "Borrower"). The loans has a term of 20 years, payable monthly with an annual interest at 6.50% and is secured by a real estate.

In 2022, the Parent Company fully collected the outstanding loans receivable as at December 31, 2021 from a third party. The loan bore interest at 10% per annum and was secured by a surety of an individual and pledged shares (common shares listed in the PSE) approximating 200% of the loan amount.

Movements in this account are as follows:

	2023	2022
Balance at beginning of year	**₱–**	₱20,000,000
Loans granted	**10,310,872**	–
Collections	**(15,497)**	(20,000,000)
Balance at end of year	**10,295,375**	–
Less current portion	**262,464**	–
Noncurrent portion	**₱10,032,911**	₱–

Interest income earned from the loans amounted to ₱41,167, ₱1.0 million, and ₱118,056 in 2023, 2022 and 2021, respectively (see Note 4).

Allowance for Impairment Losses
Details of allowance for impairment losses on receivables are as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱22,890,728**	₱23,522,760
Write-off		**(311,834)**	(519,743)
Reversal	20	**(523,257)**	(112,289)
Balance at end of year		**₱22,055,637**	₱22,890,728

7. **Inventories**

Inventories stated at cost consist of:

	2023	2022
Houses and lots	**₱57,816,134**	₱66,893,733
Condominium units and parking slots	**17,808,900**	20,030,807
Medical supplies	**2,206,847**	2,066,062
	₱77,831,881	₱88,990,602

Houses and lots pertain to units in Palma Real Residential Estates with movements as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱66,893,733**	₱86,103,554
Construction costs		**6,900,968**	11,949,105
Recovery from cancelled contracts		**476,367**	–
		74,271,068	98,052,659
Cost of houses and lots sold	17	**(16,454,934)**	(31,158,926)
Balance at end of year		**₱57,816,134**	₱66,893,733

Condominium units pertain to units in Cypress Towers with movements as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱20,030,807**	₱18,979,294
Cost of condominium units and parking slots sold	17	**(1,495,181)**	(4,506,887)
Transfer to investment properties	9	**(847,783)**	–
Additions for renovation		**121,057**	–
Reclassification from investment properties	9	**–**	4,742,400
Addition from cancellations		**–**	816,000
Balance at end of year		**₱17,808,900**	₱20,030,807

Inventories charged to direct costs are as follows (see Note 17):

	2023	2022	2021
House and lots	**₱16,454,934**	₱31,158,926	₱32,036,126
Medical supplies	**5,896,490**	6,189,931	5,473,978
Condominium units and parking slots	**1,495,181**	4,506,887	3,400,000
	₱23,846,605	₱41,855,744	₱40,910,104

8. **Other Current Assets**

This account consists of:

	2023	2022
CWTs	**₱33,150,258**	₱34,515,932
Prepayments	**5,068,839**	1,630,382
Construction bond	**1,131,900**	1,131,900
Refundable deposits	**980,731**	937,381
Input VAT	**473,308**	1,920,937
Advances to officers and employees	**279,846**	514,294
Current portion of deferred input VAT	**49,157**	196,050
	₱41,134,039	₱40,846,876

Prepayments mainly pertain to rent, tax and insurance.

Construction bond pertains to payments made by the Group for building renovation.

Advances to officers and employees are advances for various business-related expenses and are subject to liquidation within 30 days.

9. **Investment Properties**

The composition of and movements in this account are as follows:

		2023			
		Land	**Condominium Units and Parking Slots**	**Leasable Space for Ambulatory Clinic**	**Total**
Cost					
Balance at beginning of year		**₱1,098,153,690**	**₱2,117,973**	**₱41,889,186**	**₱1,142,160,849**
Additions		**3,194,600**	**–**	**–**	**3,194,600**
Reclassification	7	**–**	**847,783**	**–**	**847,783**
Balance at end of year		**1,101,348,290**	**2,965,756**	**41,889,186**	**1,146,203,232**
Accumulated Depreciation					
Balance at beginning of year		**–**	**1,291,135**	**15,249,991**	**16,541,126**
Depreciation		**–**	**112,964**	**1,396,307**	**1,509,271**
Balance at end of year		**–**	**1,404,099**	**16,646,298**	**18,050,397**
Allowance for Losses					
Balance at beginning and end of year		**55,513,073**	**–**	**–**	**55,513,073**
Carrying Amount		**₱1,045,835,217**	**₱1,561,657**	**₱25,242,888**	**₱1,072,639,762**

		2022			
		Land	Condominium Units and Parking Slots	Leasable Space for Ambulatory Clinic	Total
Cost					
Balance at beginning of year		₱1,101,199,454	₱7,907,867	₱41,889,186	₱1,150,996,507
Additions		1,985,256	–	–	1,985,256
Reclassification	7	–	(5,789,894)	–	(5,789,894)
Disposal		(5,031,020)	–	–	(5,031,020)
Balance at end of year		1,098,153,690	2,117,973	41,889,186	1,142,160,849
Accumulated Depreciation					
Balance at beginning of year		–	1,691,067	13,853,684	15,544,751
Reclassification		–	(1,047,494)	–	(1,047,494)
Depreciation		–	647,562	1,396,307	2,043,869
Balance at end of year		–	1,291,135	15,249,991	16,541,126
Allowance for Probable Losses					
Balance at beginning and end of year		55,513,073	–	–	55,513,073
Carrying Amount		₱1,042,640,617	₱826,838	₱26,639,195	₱1,070,106,650

The Group's investment properties pertain to several parcels of land which are held for capital appreciation and are located in Taguig, Batangas and Bulacan. Investment properties also include a number of condominium units, parking slot and a leasable space for ambulatory clinic in Cypress Towers which earn rental income.

In 2023, a real estate inventory amounted to ₱847,783 was reclassified to investment property. (see Note 7).

In 2022, certain investment properties with aggregate carrying amount of ₱4.7 million were reclassified to real estate inventories (see Note 7).

In 2022, the Parent Company sold a property in Batangas for ₱31.4 million resulting in a gain on sale amounting to ₱26.4 million (see Note 20).

Fair Values
The Group's investment properties have fair values aggregating ₱5,224.9 million as at December 31, 2023 and 2022. The latest independent appraiser's report was dated in October 2022. The Group has assessed that the fair value of the investment properties as at December 31, 2023 did not materially differ from the amounts reported as at December 31, 2022.

The fair values of the investment properties are categorized into Level 2 fair value hierarchy for land and condominium units and Level 3 fair value hierarchy for leasable space for ambulatory clinic.

Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

Market Data Approach. Market data approach is used to estimate valuation of land and condominium units. It involves the comparison of the land and condominium units to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to the valuation of land to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

The key inputs to fair valuation are as follows:

- *Price per sqm* – estimated value prevailing in the real estate market depending on the location, area, shape and time element.

- *Value adjustments* – adjustments are made to bring the comparative values in approximation to the investment properties taking into account the location, size, time element, and terrain among others.

Sensitivity Analysis. Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

Depreciated Replacement Cost Method. Depreciated replacement cost method is used to estimate the leasable space for ambulatory clinic by calculating the current replacement cost of the assets less deductions for physical deterioration and all relevant forms of obsolescence.

Sensitivity Analysis. Generally, significant increases (decreases) in useful life of assets would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in factors that contributed in the physical deterioration and all relevant forms of obsolescence in isolation would result in a significantly lower (higher) fair value measurement.

Allowance for Probable Losses
The allowance for probable losses of ₱55.5 million as at December 31, 2023 and 2022 represents provision to cover losses on potential claims on certain parcels of land.

Amounts Recognized in Profit or Loss
Rental income amounted to ₱16.6 million, ₱14.5 million and ₱13.6 million in 2023, 2022 and 2021, respectively (see Note 16). The related direct costs incurred pertain to depreciation expense and real property taxes aggregating ₱3.1 million in 2023, and ₱3.7 million in 2022 and 2021, respectively.

Depreciation and amortization are recognized from the following:

	Note	**2023**	2022	2021
Property and equipment	10	**₱13,310,768**	₱10,161,778	₱10,092,924
Investment properties		**1,509,271**	2,043,869	1,836,873
		₱14,820,039	₱12,205,647	₱11,929,797

Depreciation and amortization are charged to:

	Note	**2023**	2022	2021
Direct costs	17	**₱4,273,960**	₱4,560,708	₱4,255,643
Selling and administrative expenses	18	**10,546,079**	7,644,939	7,674,154
		₱14,820,039	₱12,205,647	₱11,929,797

10. **Property and Equipment**

The composition of and movements in this account are as follows:

		2023						
	Note	**Land**	**Building and Building Improvements**	**Medical Equipment**	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**CIP**	**Total**
Cost								
Balance at beginning of year		**₱120,132,721**	**₱190,189,497**	**₱65,360,900**	**₱44,659,478**	**₱37,074,036**	**₱27,101,692**	**₱484,518,324**
Additions		**–**	**414,717**	**2,804,401**	**10,218,850**	**626,274**	**517,009**	**14,581,251**
Retirement, disposal and reclassification		**–**	**27,538,169**	**(57,998)**	**(21,152,885)**	**176,611**	**(27,618,701)**	**(21,114,804)**
Balance at end of year		**120,132,721**	**218,142,383**	**68,107,303**	**33,725,443**	**37,876,921**	**–**	**477,984,771**
Accumulated Depreciation and Amortization								
Balance at beginning of year		**–**	**80,795,421**	**61,424,053**	**35,948,964**	**36,227,952**	**–**	**214,396,390**
Depreciation and amortization	9	**–**	**8,291,812**	**1,333,100**	**3,068,834**	**617,022**	**–**	**13,310,768**
Retirement, disposal and reclassification		**–**	**10,150**	**(4,351)**	**(20,954,907)**	**(165,696)**	**–**	**(21,114,804)**
Balance at end of year		**–**	**89,097,383**	**62,752,802**	**18,062,891**	**36,679,278**	**–**	**206,592,354**
Carrying Amount		**₱120,132,721**	**₱129,045,000**	**₱5,354,501**	**₱15,662,552**	**₱1,197,643**	**₱–**	**₱271,392,417**

		2022						
	Note	Land	Building and Building Improvements	Medical Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	CIP	Total
Cost								
Balance at beginning of year		₱120,132,721	₱189,133,067	₱63,229,693	₱37,792,514	₱36,350,432	₱22,757,672	₱469,396,099
Additions		–	1,056,430	2,131,207	6,866,964	723,604	4,344,020	15,122,225
Balance at end of year		120,132,721	190,189,497	65,360,900	44,659,478	37,074,036	27,101,692	484,518,324
Accumulated Depreciation and Amortization								
Balance at beginning of year		–	75,386,798	60,208,182	32,995,737	35,643,895	–	204,234,612
Depreciation and amortization	9	–	5,408,623	1,215,871	2,953,227	584,057	–	10,161,778
Balance at end of year		–	80,795,421	61,424,053	35,948,964	36,227,952	–	214,396,390
Carrying Amount		₱120,132,721	₱109,394,076	₱3,936,847	₱8,710,514	₱846,084	₱27,101,692	₱270,121,934

Cost of fully depreciated and amortized assets still in use amounted to ₱113.4 million and ₱123.0 million as at December 31, 2023 and 2022, respectively.

In 2023, The Group retired and disposed fully depreciated and amortized property and equipment with cost of ₱21.1 million.

CIP
The Group's CIP pertains to costs incurred for the construction of additional floor of the building which was completed in 2023.

The retention payable under the "Accounts payable" account related to CIP amounted to ₱2.2 million will be paid on subsequent period.

11. Goodwill

Goodwill resulted from the acquisition of 97% ownership of HSAPI by the Parent Company in 2014. As a result of the acquisition, the Parent Company acquired control over FMCMI, a wholly-owned subsidiary of HSAPI. The goodwill arising from the acquisition amounted to ₱21.7 million.

Based on the Group's annual impairment test using a discounted cash flow model covering a five-year period, the Group has assessed that goodwill is not impaired as at December 31, 2023, and 2022. The principal assumptions used in determining the recoverable amount (value in use) are discount rate of 5% and growth rate of 12% in 2023 and 2022.

Management determined the five-year projected cash flows based on past performance, existing contracts and expectations on market development such as average price, revenue growth range and expected costs to generate such revenue. Growth rates and operating margins used to estimate future performance are equally based on past performance and experience of growth rates and operating margins achievable in the relevant industry. The discount rate used imputes the risk of the cash-generating unit compared to the respective risk of the overall market and equity risk premium.

12. Other Noncurrent Assets

This account consists of:

	2023	2022
Investment in unquoted shares	**₱15,344,659**	₱15,344,659
Refundable deposits	**940,165**	940,165
Noncurrent portion of deferred input VAT	**94,218**	46,995
Others	**1,509,434**	1,509,434
	₱17,888,476	₱17,841,253

Investment in Unquoted Shares
This account consists of the Group's investment in the unquoted shares of Asian Alliance Holdings & Development Corp, which are classified as financial assets at FVOCI. The fair value amounting to ₱15.3 million as at December 31, 2023, and 2022, has been determined using the net asset method as valuation technique. The Group's investment represents only a minority interest in the investee company.

There are no fair value changes in 2023 and 2022.

Dividend income from investment in unquoted shares is disclosed in Note 5.

Management does not plan to sell or dispose of the shares within one year from the reporting date.

Sensitivity Analysis. Significant increase (decrease) in the net asset would result in a significantly higher (lower) fair value measurement.

13. Accounts and Other Payables

This account consists of:

	Note	**2023**	2022
Accounts payable		**₱99,408,415**	₱95,096,134
Contract liabilities		**13,570,934**	17,047,490
Accrued expenses		**12,153,116**	14,830,223
Statutory payable		**8,323,841**	6,363,427
Payable to directors and officers	21	**6,888,504**	8,936,037
Deposits for document processing		**5,927,623**	4,842,960
Unearned rental income	23	**3,219,404**	1,520,056
Others		**7,547,308**	7,544,981
		₱157,039,145	₱156,181,308

Accounts payable are normally noninterest-bearing and settled on 30- to 60-day credit terms.

Contract liabilities represent advances from customers and nonrefundable reservation fees received from prospective buyers. The Group requires buyers to pay a minimum percentage of the total selling price before they enter into a sale transaction. Collections from buyers which have not reached the minimum required percentage are also treated as contract liabilities.

The amount of revenue recognized in 2023 and 2022 from contract liabilities as at December 31, 2023 and 2022 amounted to ₱10.1 million and ₱30.2 million, respectively.

Accrued expenses consist mainly of utilities, communication, outsourced services, and professional fees which are normally settled in the following month.

Statutory payable includes amounts payable to government agencies such as BIR, Social Security System, Home Development Mutual Fund and Philippine Health Insurance Corporation which are normally settled in the following month.

Deposits for document processing represent collections for processing deed of sale and other documents necessary in transferring titles to real estate buyers.

14. Net Retirement Benefits Liability

The Group values its defined benefit obligation using the projected unit credit method. This plan provides for a minimum benefit of one-half month of final salary per year of credited service. The benefit shall be payable to employees with at least five years of continuous service and attained age of:

- 60 years;
- 50 years with completion of at least 10 years of service; or
- More than 60, on a case-to-case and year-to-year extension basis.

The last actuarial valuation report obtained was for as at December 31, 2023.

Retirement benefit costs are presented as part of "Salaries, wages and other benefits" account under "Selling and administrative expenses" in the consolidated statements of comprehensive income (see Note 18).

Details of retirement benefit costs are as follows:

	2023	2022	2021
Current service cost	**₱2,085,415**	₱2,336,164	₱4,683,981
Interest expense	**1,991,619**	1,445,417	1,091,585
Return on plan assets	**(276,728)**	(179,983)	(140,315)
Past service cost due to plan amendment	**–**	6,185,216	–
	₱3,800,306	₱9,786,814	₱5,635,251

Net retirement benefits liability presented in the consolidated statements of financial position is as follows:

	2023	2022
Retirement benefits liability	**₱30,778,652**	₱27,799,094
Fair value of plan assets	**(3,799,153)**	(3,844,998)
	₱26,979,499	₱23,954,096

Movements in the present value of retirement benefits liability are as follows:

	2023	2022
Balance at beginning of year	**₱27,799,094**	₱24,436,548
Current service cost	**2,085,415**	2,336,164
Interest expense	**1,991,619**	1,445,417
Remeasurement gain	**(754,929)**	(2,891,751)
Benefits paid out of operating fund	**(342,547)**	(3,712,500)
Past service cost due to plan amendment	**–**	6,185,216
Balance at end of year	**₱30,778,652**	₱27,799,094

Movements in the fair value of plan assets are as follows:

	2023	2022
Balance at beginning of year	**₱3,844,998**	₱3,547,992
Return on plan assets	**276,728**	179,983
Remeasurement gain (loss)	**(322,573)**	117,023
Balance at end of year	**₱3,799,153**	₱3,844,998

The Group does not have any plans for contributions in the next reporting year.

The analysis of the fair value of plan assets as at December 31, 2023 and 2022 is as follows:

	2023	2022
Deposit in banks	**₱2,484,185**	₱2,197,898
Equity securities	**1,305,772**	1,648,948
Other assets	**17,745**	4,375
Other accountabilities	**(8,549)**	(6,223)
	₱3,799,153	₱3,844,998

The principal assumptions used for the actuarial valuations were as follows:

	2023	2022
Discount rate	**6.09%**	7.21%
Expected rate of salary increases	**5.00%**	5.00%

Maturity analysis of the undiscounted benefit payments:

	2023	2022
Less than five years	**₱29,906,992**	₱23,718,864
Five years but less than 10 years	**3,799,288**	6,909,950
More than 10 years	**166,649,059**	163,402,828

The average duration of the net retirement benefits liability is 20 years as at December 31, 2023 and 2022, respectively.

The plan exposes the Group to the following risks:

- Salary risk – any increase in the retirement plan participants' salary will increase the retirement plan's liability

- Longevity risk – any increase in the plan participants' life expectancy will increase the retirement plan's liability

- Interest rate risk – a decrease in bond interest rate will increase the present value of retirement liability. However, this is partially counterbalanced by an increase in the return on the plan assets.

Sensitivity Analysis

The sensitivity analysis on net retirement benefits liability based on reasonably possible changes of the assumptions is as follows:

	Change in assumption	2023	2022
Discount rate	0.5%	**(₱502,134)**	(₱390,822)
	-0.5%	**558,151**	433,151
Expected salary growth rate	1.0%	**1,150,549**	902,626
	-1.0%	**(950,250)**	(748,452)

Remeasurement Gain

The cumulative remeasurement gain on net retirement benefits recognized in equity as at December 31 are as follows:

	Accumulated Remeasurement Gain (Loss)	Deferred Tax	Net of Tax
Balance as at December 31, 2020	₱6,020,777	₱1,806,233	₱4,214,544
Remeasurement gain	8,495,371	1,861,086	6,634,285
Effect of change in tax rate	–	(339,592)	339,592
Balance as at December 31, 2021	14,516,148	3,327,727	11,188,421
Remeasurement gain	2,432,005	608,001	1,824,004
Balance as at December 31, 2022	16,948,153	3,935,728	13,012,425
Remeasurement gain	432,356	108,089	324,267
Balance as at December 31, 2023	₱17,380,509	₱4,043,817	₱13,336,692

Remeasurement gain, net of tax, on net retirement benefits recognized in the consolidated statements of comprehensive income is as follows:

	2023	2022	2021
Equity holders of the Parent Company	**₱267,910**	₱1,772,648	₱6,973,877
Non-controlling interests	**56,357**	51,356	274,418
	₱324,267	1,824,004	7,248,295

Deferred tax asset (liability) on net retirement benefits recognized in the consolidated statements of comprehensive income is as follows:

	2023	2022	2021
Equity holders of the Parent Company	**(₱93,999)**	(₱595,162)	(₱1,443,782)
Non-controlling interests	**(14,090)**	(12,839)	(77,712)
	(₱108,089)	(₱608,001)	(₱1,521,494)

15. Equity

Capital Stock

Details of the Parent Company's capital stock with ₱0.10 par value as at December 31, 2023 and 2022 are as follows:

	Shares	Amount
Authorized	24,000,000,000	₱2,400,000,000
Issued and Outstanding		
Balance at beginning and end of year	19,775,232,460	₱1,977,523,246
Treasury stock - at cost	(4,815,232,510)	(481,523,251)
	14,959,999,950	₱1,495,999,995

APIC amounted to ₱118.6 million as at December 31, 2023 and 2022.

The Parent Company has 363 and 365 shareholders as at December 31, 2023 and 2022, respectively.

On February 28, 2023, the Parent Company's BOD approved the declaration of stock dividends amounting to ₱150.0 million, subject to compliance with regulatory requirements.

Non-controlling Interests

The Group's non-controlling interests represent 3%, 3%, 52% and 25% ownership of non-controlling interests shareholders of HSAPI, FMCMI, CCPC and PLHI, respectively. Non-controlling interests amounted to ₱169.5 million and ₱155.9 million as at December 31, 2023 and 2022, respectively.

The dividends declared allocated to non-controlling interests amounted to ₱31.2 million and ₱13.5 million in 2022 and 2021, respectively. Payments of dividends to non-controlling interests amounted to ₱31.2 million and ₱13.5 million in 2022 and 2021 respectively.

The summarized financial information of subsidiary with significant non-controlling interest as at and for the years ended December 31, 2023, 2022 and 2021 follows:

	2023	2022	2021
Current assets	**₱224,037,343**	₱194,683,336	₱219,687,333
Noncurrent assets	**46,041,859**	43,913,787	44,401,390
Current liabilities	**69,789,723**	64,391,097	64,712,288
Noncurrent liabilities	**9,884,503**	9,370,231	8,390,325
Revenue	**48,282,636**	70,418,792	77,992,434
Net income	**25,476,701**	33,807,083	36,648,787
Total comprehensive income	**25,569,181**	33,849,685	36,858,963

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value. The Group maintains its current capital structure and will make adjustments, if necessary, in order to generate a reasonable level of returns to stockholders over the long term. No changes were made in the objectives, policies or processes during the year.

The Group considers the equity presented in the consolidated statements of financial position as its core capital.

The Group monitors capital using debt to equity ratio, which is total debt divided by total equity. The debt-to-equity ratio as at December 31, 2023 and 2022, are as follows:

	2023	2022
Debt	**₱204,305,216**	₱201,098,051
Equity	**2,346,917,470**	2,293,566,815
Debt-to-Equity Ratio	**0.09:1**	0.09:1

Debt is composed of all liabilities while equity includes capital stock, APIC, retained earnings, other comprehensive loss and non-controlling interests, less treasury stock.

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. The public ownership is about 18.4% and 19.2% as at December 31, 2023 and 2022, respectively.

The Group reviews its capital structure on an annual basis. As part of this review, the Group considers the cost of capital and the risks associated with it.

16. Revenue

This account consists of:

		2023			
	Note	**Real estate activities**	**Health care activities**	**Investing activities**	**Total**
Recognized at a point in time:					
Real estate sales:					
Sale of houses and lots		**₱56,786,475**	**₱–**	**₱–**	**₱56,786,475**
Sale of condominium units and parking slots		**6,394,643**	**–**	**–**	**6,394,643**
Sale of services		**–**	**68,697,725**	**–**	**68,697,725**
Recognized over time -					
Interest income	4	**16,170,301**	**–**	**–**	**16,170,301**
Recognized from other sources:					
Dividend income	5	**–**	**–**	**5,757,732**	**5,757,732**
Rental income	23	**16,622,127**	**–**	**–**	**16,622,127**
		₱95,973,546	**₱68,697,725**	**₱5,757,732**	**₱170,429,003**

	Note	2022 Real estate activities	Health care activities	Investing activities	Total
Recognized at a point in time:					
Real estate sales:					
Sale of houses and lots		₱95,706,264	₱–	₱–	₱95,706,264
Sale of condominium units and parking slots		16,965,000	–	–	16,965,000
Sale of services		–	65,470,038	–	65,470,038
Recognized over time -					
Interest income	4	19,571,409	–	–	19,571,409
Recognized from other sources:					
Dividend income	5	–	–	10,611,771	10,611,771
Rental income	23	14,455,349	–	–	14,455,349
		₱146,698,022	₱65,470,038	₱10,611,771	₱222,779,831

	Note	2021 Real estate activities	Health care activities	Investing activities	Total
Recognized at a point in time:					
Real estate sales:					
Sale of houses and lots		₱97,883,285	₱–	₱–	₱97,883,285
Sale of condominium units and parking slots		12,240,365	–	–	12,240,365
Sale of services			51,259,195	–	51,259,195
Recognized over time -					
Interest income	4	20,118,526	–	–	20,118,526
Recognized from other sources:					
Dividend income	5	–	–	14,420,616	14,420,616
Rental income	23	13,578,759	–	–	13,578,759
		₱143,820,935	₱51,259,195	₱14,420,616	₱209,500,746

17. **Direct Costs**

This account consists of:

	2023	2022	2021
Cost of real estate sold	**₱17,950,115**	₱35,665,813	₱35,436,126
Cost of services	**35,134,145**	35,192,289	30,973,213
	₱53,084,260	₱70,858,102	₱66,409,339

Cost of real estate sold consists of:

	Note	2023	2022	2021
Cost of:				
Houses and lots sold	7	**₱16,454,934**	₱31,158,926	₱32,036,126
Condominium units and parking slots sold	7	**1,495,181**	4,506,887	3,400,000
		₱17,950,115	₱35,665,813	₱35,436,126

Cost of services consists of:

	Note	2023	2022	2021
Contracted services		**₱13,405,152**	₱12,852,549	₱11,064,586
Salaries, wages and other benefits	19	**6,869,579**	7,632,264	7,726,338
Supplies used	7	**5,896,490**	6,189,931	5,473,978
Depreciation and amortization	9	**4,273,960**	4,560,708	4,255,643
Others		**4,688,964**	3,956,837	2,452,668
		₱35,134,145	₱35,192,289	₱30,973,213

Others mainly consist of utilities, on-site medical cost and real property tax.

18. Selling and Administrative Expenses

This account consists of:

	Note	2023	2022	2021
Salaries, wages and other benefits	19	**₱29,149,615**	₱35,104,079	₱28,658,540
Depreciation and amortization	9	**10,546,079**	7,644,939	7,674,154
Outside services		**8,840,402**	8,807,394	6,870,928
Taxes and licenses		**7,139,462**	5,904,211	6,732,418
Directors' and officers' profit-sharing remuneration	21	**6,888,504**	8,938,479	4,823,256
Meetings and seminars		**5,773,764**	4,447,399	4,037,446
Commissions	23	**3,623,952**	6,807,281	6,587,152
Professional fees		**3,467,737**	3,940,000	2,942,423
Supplies		**2,733,908**	2,951,116	2,664,280
Repairs and maintenance		**2,615,644**	2,009,470	2,183,367
Utilities		**2,423,373**	2,182,267	1,983,665
Insurance		**2,113,950**	1,492,286	1,737,746
Transportation and travel		**1,748,036**	3,119,709	1,944,138
Director's fees	21	**1,644,444**	1,816,889	1,661,333
Postage and communication		**655,630**	650,097	699,985
Committee meetings		**515,000**	500,000	625,000
Advertising		**205,208**	279,442	156,587
Others		**8,594,900**	7,840,272	6,330,510
		₱98,679,608	₱104,435,330	₱88,312,928

Other expenses pertain mainly to unrecoverable input VAT.

19. Personnel Costs

Personnel costs consist of:

	Note	2023	2022	2021
Salaries and wages		**₱26,308,531**	₱27,531,203	₱25,382,219
Retirement benefit costs	14	**3,800,306**	9,786,814	5,635,251
Other employee benefits		**5,910,357**	5,418,326	5,367,408
		₱36,019,194	₱42,736,343	₱36,384,878

Personnel costs are charged to:

	Note	2023	2022	2021
Direct costs	17	**₱6,869,579**	₱7,632,264	₱7,726,338
Selling and administrative expenses	18	**29,149,615**	35,104,079	28,658,540
		₱36,019,194	₱42,736,343	₱36,384,878

Other employee benefits include the profit share of the officers of the Group.

20. Other Income (Charges)

This account consists of:

	Note	2023	2022	2021
Interest income from:	4			
Cash in banks and short term placements		**₱33,708,244**	₱11,013,535	₱3,065,228
Loans receivables		**41,167**	999,999	118,056
Gain (loss) on:				
Sale of investments in quoted shares	5	**11,921,494**	(9,346,831)	9,328,343
Reversal of impairment losses on receivables	6	**523,257**	112,289	–
Cancelled contracts and forfeited customer deposits		**(220,531)**	(105,448)	1,019,822
Sale of investment properties	9	**–**	26,401,480	–
Unrealized gain (loss) on the changes in:				
Fair value of investments in quoted shares	5	**(6,069,675)**	(2,871,773)	39,914,761
Foreign exchange rates		**970,289**	5,172,968	585,074
Others		**3,458,337**	4,245,890	2,348,437
		₱44,332,582	₱35,622,109	₱56,379,721

Other income pertains to surcharges, association dues and maintenance fees.

21. Related Party Transactions

The following table summarizes the Group's significant transactions and balances with related parties as at December 31, 2023 and 2022:

			Amounts of Transactions		Outstanding Balances	
Related Parties	Note	Nature of Transactions	**2023**	2022	**2023**	2022
Accounts and other payables						
Directors and officers	18	Directors and officers profit-sharing remuneration	**₱6,888,504**	₱8,938,479		
	18	Director's fees	**1,644,444**	1,816,889		
		Payments	**(10,580,481)**	(9,572,889)	**₱6,888,504**	₱8,936,037

<u>Terms and Conditions of Transactions with Related Parties</u>
The outstanding balances are unsecured, noninterest-bearing, payable upon demand and to be settled in cash.

The directors and officers are entitled to receive profit sharing based on the performance by the Group.

<u>Compensation of Key Management Personnel</u>
Compensation of key management personnel, consisting of short-term and long-term salaries and government mandated benefits, amounted to ₱12.7 million, ₱13.2 million and ₱12.0 million in 2023, 2022 and 2021, respectively.

22. Earnings Per Share

The calculation of the basic EPS is based on the following data:

	2023	2022	2021
Net income attributable to Parent Company	**₱39,529,284**	₱50,664,302	₱75,709,746
Weighted average number of common shares issued and outstanding	**14,959,999,950**	14,959,999,950	14,959,999,950
	₱0.00264	₱0.00339	₱0.00506

The weighted average number of shares refers to shares in circulation during the period that is after the effect of treasury stock.

As at December 31, 2023, 2022 and 2021, the Parent Company has no dilutive or potential dilutive share.

23. Significant Agreements

<u>Lease Agreements</u>
The Group leased out certain commercial spaces of its building to several parties under various cancellable and noncancellable operating lease agreements for periods between one to ten years. All leases include an annual escalation clause based on rental rates.

Security deposits amounting to ₱4.4 million and ₱3.8 million as at December 31, 2023 and 2022, respectively, are noninterest-bearing and will be refunded at the end of the lease term.

Unearned rental income amounted to ₱3.2 million and ₱1.5 million as at December 31, 2023 and 2022, respectively (see Note 13).

Rental income recognized amounted to ₱16.6 million, ₱14.5 million and ₱13.6 million in 2023, 2022 and 2021, respectively (see Note 16). Billed rental amounted to ₱1.9 million and ₱1.7 million as at December 31, 2023 and 2022, respectively (see Note 6).

Future minimum lease receivables to be collected based on existing contracts are as follows:

	2023	2022
Not later than one year	**₱13,546,707**	₱9,590,207
Later than one year but not later than five years	**28,316,937**	22,865,953
Beyond five years	**10,436,914**	22,440,571
	₱52,300,558	₱54,896,731

Joint Operation Arrangement with Santa Lucia Realty and Development Inc. (SLRDI)

On October 23, 2003, CCPC entered into a Memorandum of Agreement (the "Agreement") with SLRDI (the "Project Developer") wherein CCPC contributed land and the improvements thereon, while the Developer completed the development of the Palma Real Residential Estates project in Biñan, Laguna (the "Project") and handles all the expenses necessary in preparing the lots into saleable units.

The Agreement has the following significant provisions, among others:

a. The Developer shall be solely liable for any and all expenses to be incurred in the construction and development to be introduced by SLRDI on the Project, government agency, sub-contractor, supplier or third party in connection with the development of the Project;

b. CCPC shall be paid 60% of the sales proceeds while SLRDI shall be paid 40% of the sales proceeds. CCPC and SLRDI shall shoulder the corresponding taxes of their respective share of the proceeds;

c. The proceeds from the sale of lots shall be deposited in the joint bank account of the CCPC and SLRDI; and

d. CCPC and SLRDI shall nominate a marketing manager that will handle the sale of lots in the Project. The marketing manager shall present a marketing plan to CCPC and SLRDI.

The development of the residential lots was completed, and the Project started selling lots in 2004.

The revenue and the corresponding cost of real estate sold from the joint operation arrangement with SLRDI, which are included as part of "Sale of houses and lots" and "Cost of houses and lots sold", respectively, are as follows:

	2023	2022	2021
Sale of houses and lots	**₱39,310,947**	₱60,645,294	₱67,683,685
Cost of houses and lots sold	**8,561,847**	15,558,454	16,933,451

Installment contracts receivable related to the Agreement amounted to ₱51.3 million and ₱49.9 million as at December 31, 2023 and 2022, respectively. Due to SLRDI relating to the share of the Group amounting to ₱31.3 million and ₱23.9 million as at December 31, 2023 and 2022, respectively, is included as part of "Accounts and other payables". Titles to the sold houses and lots are transferred to the buyer only upon full payment of the contract price.

The “Due from a Project Developer” under the “Receivables” account in the consolidated statements of financial position pertains to the unremitted collections amounting to ₱30.5 million and ₱32.2 million as at December 31, 2023 and 2022, respectively (see Note 6). Collections are deposited to the joint bank account of the Developer and CCPC.

Joint Operation Arrangement with DMCI

In 2005, the Parent Company and Fort Bonifacio Medical Center, Inc. (FBMCI) entered into a Memorandum of Agreement (the “Agreement”) with DMCI for the development and construction of three condominium buildings called the Cypress Towers.

The Agreement has the following significant provisions, among others:

(a) The Group and FBMCI shall contribute the land;

(b) DMCI shall be responsible for the development, construction and sale of condominium units; and

(c) The Group and FBMCI’s share in the project is equivalent to 15.6% of the total condominium units and parking slots.

The development and construction of the condominium buildings were completed and selling started in 2008. The amounts of sales of condominium units and parking slots and cost of condominium units and parking slots sold are disclosed in Notes 16 and 17, respectively.

Installment contracts receivable related to the Agreement amounted to ₱10.4 million and ₱12.3 million as at December 31, 2023 and 2022, respectively.

As at December 31, 2023 and 2022, there were no outstanding contingent liabilities and commitments with respect to the joint operations arrangements.

Marketing Agreement

Marketing of the projects is handled by several brokers and agents at various commission rates based on the selling price.

The Group incurred commission expense amounting to ₱3.6 million, ₱6.8 million and ₱6.6 million in 2023, 2022 and 2021, respectively (see Note 18).

24. Income Taxes

Components of provision for (benefit from) income tax are as follows:

	2023	2022	2021
Current:			
RCIT	**₱9,554,869**	₱12,908,812	₱10,844,661
MCIT	**912,092**	751,882	206,173
	10,466,961	13,660,694	11,050,834
Deferred	**(495,632)**	978,169	5,455,386
	₱9,971,329	₱14,638,863	₱16,506,220

Provision for (benefit from) income tax is presented in the consolidated statements of comprehensive income as follows:

	2023	2022	2021
Profit or loss:			
Current	**₱10,466,961**	₱13,660,694	₱11,050,834
Deferred	**(495,632)**	978,169	5,545,386
Other comprehensive income -			
Deferred	**(108,009)**	(608,001)	(1,599,206)
	₱9,863,320	₱14,030,862	₱14,997,014

Deferred Taxes

The components of the Group's deferred taxes are as follows:

	2023	2022
Deferred tax assets:		
Allowance for probable losses on investment properties	**₱6,365,152**	₱6,365,152
Retirement benefits liability	**6,744,875**	5,988,524
Allowance for impairment losses on receivables	**5,513,909**	5,722,682
Payable to directors and officers	**1,722,126**	2,234,620
Accrued expenses	**399,386**	701,578
	₱20,745,448	₱21,012,556
Deferred tax liabilities:		
Excess gross profit over collections	**₱14,478,559**	₱14,082,540
Unrealized foreign exchange gain	**242,572**	1,293,242
	₱14,721,131	₱15,375,782

Details of unrecognized deferred tax assets are as follows:

	2023	2022
Allowance for probable loss on investment properties	**₱7,513,117**	₱7,513,117
MCIT	**835,017**	1,387,165
NOLCO	**595,221**	345,312
Unearned rental income	**53,865**	63,883
	₱8,997,220	₱9,309,477

The details of the Group's NOLCO and MCIT, which can be claimed as deduction from future taxable income and as tax credit against future income tax due, respectively, are as follows:

NOLCO

Inception Year	Amount	Incurred	Applied	Balance	Expiry Year
2023	₱–	₱1,158,362	₱–	₱1,158,362	2026
2022	474,182	–	–	474,182	2025
2021	350,674	–	–	350,674	2026
2020	637,270	–	–	637,270	2025
	₱1,462,126	₱1,158,362	₱–	₱2,620,488	

Under Revenue Regulations No. 25-2020, NOLCO incurred for the taxable years 2021 and 2020 will be carried over for the next five (5) consecutive taxable years immediately following the year of such loss and NOLCO incurred for taxable year 2022 and beyond can be carried over for the next three consecutive years.

MCIT

Inception Year	Amount	Incurred	Expired/ Derecognized	Balance	Expiry Year
2023	₱–	₱176,073	₱–	₱176,073	2026
2022	210,030	–	–	210,030	2025
2021	448,914	–	–	448,914	2024
2020	728,221	–	(728,221)	–	2023
	₱1,387,165	₱176,073	(₱728,221)	₱835,017	

Under the "Corporate Recovery and Tax Incentives for Enterprises (the "Act") which took effect on July 1, 2020, domestic corporations are subject to 25% or 20% RCIT depending on the amount of total assets and total amount of taxable income. In addition, MCIT shall be computed at 1% of gross income for a period of three years until June 30, 2023 and will revert to 2% starting July 1, 2023.

The effect of the reduction in tax rates in 2020 was recognized as part of the 2021 income tax expense, as required by PAS 12, *Income Tax*es. Details of adjustments are as follows:

	Current	Deferred	Total
Income tax expense	₱11,752,279	₱1,218,067	₱12,970,346
Effect of change in tax rate	(701,445)	4,237,319	3,535,874
Adjusted current income tax expense	₱11,050,834	₱5,455,386	₱16,506,220

The effect of change in tax rate for the unrecognized deferred tax assets amounted to ₱4.7 million.

The reconciliation of provision for income tax computed at the statutory income tax rate and at effective income tax rates is as follows:

	2023	2022	2021
Income tax expense computed at statutory tax rate	**₱15,749,432**	₱20,777,127	₱27,266,985
Tax effects of:			
Income subject to a final tax and exempt from income tax	**(7,744,084)**	(5,782,268)	(16,247,627)
Nondeductible expenses	**1,512,841**	3,118,479	679,434
Effects of consolidation	**37,176**	(7,779)	(14,910)
Nontaxable income	**–**	(561,611)	–
Expired NOLCO	**–**	88,557	13,937,457
Expired MCIT	**728,221**	1,179,663	1,092,212
Changes in unrecognized deferred tax assets	**(312,257)**	(2,913,607)	(18,460,774)
Change in tax rate	**–**	(1,259,698)	8,253,443
	₱9,971,329	₱14,638,863	₱16,506,220

25. **Fair Value of Financial Assets and Liabilities**

The table below presents the carrying amounts and fair value of the Group's financial assets and financial liabilities.

	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**₱785,507,527**	**₱785,507,527**	₱645,994,640	₱645,994,640
Receivables	**156,476,764**	**156,476,764**	156,158,606	156,158,606
Refundable deposits and construction bond*	**2,072,065**	**2,072,065**	2,072,065	2,072,065
At FVPL -				
Investment in quoted shares	**85,865,768**	**85,865,768**	161,851,145	161,851,145
At FVOCI -				
Investment in unquoted shares	**15,344,659**	**15,344,659**	15,344,659	15,344,659
	₱1,045,266,783	**₱1,045,266,783**	₱981,421,115	₱981,421,115

	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Liabilities				
At amortized cost:				
Accounts and other payables**	**₱125,997,343**	**₱125,997,343**	₱126,407,375	₱126,407,375
Security deposits	**4,402,933**	**4,402,933**	3,839,825	3,839,825
	₱130,400,276	**₱130,400,276**	₱130,247,200	₱130,247,200

**Included in "Other current assets" and "Other noncurrent assets" accounts*
***Excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income*

The Group has determined that the carrying amounts of cash and cash equivalents, receivables, accounts and other payables (excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income) approximate their fair values because these are mostly short term in nature.

The fair value of installment contracts receivable approximates its carrying amount as its interest rate approximates the market rate for a similar instrument.

The fair value of refundable deposits, construction bond and security deposits approximates its carrying amount. The management believes that the effect of discounting the future receipts/payments from these financial instruments using the prevailing market rates is not significant.

The fair values of investments in quoted shares are based on quoted price in active market (Level 1 hierarchy).

The fair values of investments in unquoted shares are determined using the net asset method (Level 3).

The fair value hierarchy groups the financial instruments into Levels 1 to 3 based on the degree to which the fair value is observable. There were no transfers to other levels in 2023 and 2022.

26. **Financial Instruments Risk Management Policies and Objectives**

The Group's financial assets comprise of cash and cash equivalents, receivables, refundable deposits, construction bond and investments in quoted and unquoted shares. The Group's financial liabilities comprise accounts and other payables (excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income) and security deposits. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The Group's BOD and management review and approve the policies for managing each of the risks summarized below.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risk specifically to foreign currency risk and equity price risk. Financial instruments affected by market risk include cash and cash equivalents and equity investments.

The sensitivity analyses in the following sections relate to the consolidated statements of financial position as at December 31, 2023 and 2022.

The sensitivity of the relevant items in the consolidated statements of comprehensive income is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2023 and 2022.

Foreign Currency Risk. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group has transactional currency exposures arising from purchase denominated in currencies other than the functional currency. The Group does not enter into forward contracts to hedge currency exposures. To mitigate the Group's exposure to foreign currency risk, foreign currency cash flows and fluctuations in the foreign exchange rates are monitored.

The carrying amounts of the Group's foreign currency denominated monetary assets are as follows:

	2023		2022	
	Philippine Peso	**Foreign Currency**	Philippine Peso	Foreign Currency
Cash in banks	**₱138,699,901**	**US$2,504,965**	₱70,825,209	US$1,262,032
Investments in quoted shares	**37,608,876**	**SG$896,730**	92,728,378	SG$2,232,536

For purposes of translating the outstanding balance of the Group's foreign currency-denominated monetary assets, the exchange rates applied were ₱55.37 per U.S. Dollar (USD) US$1 and ₱41.94 per Singapore Dollar (SGD) SG$1 as at December 31, 2023 and ₱56.12 per US$1 and ₱41.58 per SG$1 as at December 31, 2022.

Foreign Currency Sensitivity Analysis. The sensitivity analysis includes all of the Group's foreign currency denominated monetary assets and liabilities. A positive number indicates an increase in income before tax when the USD and the SGD strengthen by 7% and 12%, respectively, against the relevant currency. For a 7% and 12% weakening of the USD and the SGD, respectively, against the Peso, there would be an equal and opposite impact on the income before tax.

The following table demonstrates the sensitivity to a 7% and 12% change in USD and SGD exchange rates, respectively, with all other variables held constant:

	Effect on Income Before Tax	
	2023	2022
Cash in banks	**₱9,708,993**	₱2,833,008
Investments in quoted shares	**4,513,065**	927,284
	₱14,222,058	₱3,760,292

Equity Price Risk. Equity price risk exposure relates to fluctuation in fair values as a result of changes in market prices of investments in quoted shares arising from factors affecting all shares of stocks traded in the market. The Group's market risk policy requires it to manage such risk by setting and monitoring objectives and constraints on investments.

The following table demonstrates the sensitivity to a reasonably possible change in the stock price of shares, with all other variables held constant, of the Group's unrealized gain and loss on investments in quoted shares:

	Listed domestic shares		Listed foreign shares	
	Change in Stock Price	Effect on Income Before Tax	Change in Stock Price	Effect on Income Before Tax
December 31, 2023	**2%**	**₱206,511**	**3%**	**₱796,000**
	-2%	**(206,511)**	**-3%**	**(796,000)**
December 31, 2022	8%	5,758,955	9%	6,676,443
	-8%	(5,758,955)	-9%	(6,676,443)

Credit Risk

Credit risk is the risk when a counterparty fails to fulfill its obligations to the Group. Counterparties such as banks and customers who pay on or before due date have minimum risk exposure because default in settling its obligations is remote. The Group deals only with reputable banks and customers to limit this risk.

The table below shows the gross maximum exposure of the Group to credit risk before taking into consideration collateral and other credit enhancements:

	2023	2022
Cash and cash equivalents	**₱785,487,527**	₱645,974,640
Receivables	**156,476,764**	156,158,606
Refundable deposits	**1,920,896**	1,877,546
Construction bond	**1,131,900**	1,131,900
	₱945,017,087	₱805,142,692

Maximum Exposure to Credit Risk after Credit Enhancements

Maximum exposure to credit risk of financial assets is equivalent to their carrying values except for installment contracts receivable and loans receivable. The table below shows the maximum exposures to credit risk of the Group for installment contracts receivable and loans receivable, after considering the effects of credit enhancements:

December 31, 2023 Credit risk exposure relating to balance sheet assets	**Carrying Amount**	**Fair Value of Collateral or Credit Enhancement**	**Maximum Exposure to Credit Risk after Credit Enhancements**	**Financial Effect of Collateral or Credit Enhancement**
Installment contracts receivable	**₱99,505,963**	**₱111,019,575**	**₱–**	**₱111,019,575**
Loans receivable	**10,295,375**	**7,912,000**	**2,383,375**	**7,912,000**
	₱109,801,338	**₱118,931,575**	**₱2,383,375**	**₱118,931,575**

December 31, 2022 Credit risk exposure relating to balance sheet assets	Carrying Amount	Fair Value of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk after Credit Enhancements	Financial Effect of Collateral or Credit Enhancement
Installment contracts receivable	₱104,694,803	₱120,241,914	₱–	₱120,241,914

Credit Enhancements. For installment contracts receivable, title to condominium units, houses and lots is not transferred to the buyer until full payment has been made.

The loans receivable are secured by a pledge of a property. And upon default and breach of contract by the borrower the Company has the rights to encumber the said property to satisfy the loans (see Note 6).

Risk Management. Credit risk is managed on a group basis. The Group deals only with reputable banks and customers to limit this risk. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by management.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

As at December 31, 2023 and 2022, the amount of cash and cash equivalents, refundable deposits, and construction bond are neither past due nor impaired and were classified as *“High Grade*”; installment contracts receivable and other receivables (excluding impairment) were classified as “*Standard Grade”;* and impaired installment contracts receivables and other receivables were classified as *“Substandard Grade”*. The credit quality of such financial assets at amortized cost is managed by the Group using the internal credit quality ratings as follows:

- *High Grade.* Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.

- *Standard Grade.* Pertains to counterparty with performance rating ranging from satisfactory to acceptable and repayment capacity has to be monitored. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

- *Substandard Grade.* Substandard grade financial assets are those which are considered worthless. These are accounts which have the probability of impairment based on historical trends.

Impairment of Receivables (excluding Installment Contracts Receivable). An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Impairment of Installment Contracts Receivable and Other Financial Assets at Amortized Cost. It is the Group’s policy to measure ECL on these instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group limits its exposure to credit risk by investing its cash and cash equivalents only with banks that have good credit standing and reputation in the local and international banking industry. For installment contracts receivable, loan receivable, refundable deposits and construction bond, credit risk is low since the Group only transacted with reputable companies with respect to these financial assets or the financial assets have credit enhancements.

The tables below show the credit quality of financial assets as at December 31, 2023 and 2022:

	2023					
	Neither Past Due nor Impaired			Past Due but Not Impaired	Impaired	Total
		Standard	Substandard			
	High Grade	Grade	Grade			
Cash and cash equivalents	**₱785,507,527**	**₱–**	**₱–**	**₱–**	**₱–**	**₱785,507,527**
Receivables	**–**	**156,476,764**	**–**	**–**	**22,055,637**	**178,532,401**
Refundable deposits	**–**	**1,920,896**	**–**	**–**	**–**	**1,920,896**
Construction bond	**–**	**1,131,900**	**–**	**–**	**–**	**1,131,900**
	₱785,507,527	**₱159,529,560**	**₱–**	**₱–**	**₱22,055,637**	**₱967,092,724**

	2022					
		Neither Past Due nor Impaired		Past Due but Not Impaired	Impaired	Total
		Standard	Substandard			
	High Grade	Grade	Grade			
Cash and cash equivalents	₱645,994,640	₱–	₱–	₱–	₱–	₱645,994,640
Receivables	–	156,158,606	–	–	22,890,728	179,049,334
Refundable deposits	–	1,877,545	–	–	–	1,877,545
Construction bond	–	1,131,901	–	–	–	1,131,901
	₱645,994,640	₱159,168,052	₱–	₱–	₱22,890,728	₱828,053,420

Using the ECL allowance, the credit risk exposure on the Group's impairment of receivables amounted to ₱22.1 million and ₱22.9 million as at December 31, 2023 and 2022, respectively (see Note 6).

Liquidity Risk
Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. It may result from either the inability to sell assets quickly at fair values or failure to collect from counterparty.

The Group's objective is to maintain a balance between continuity of funding and flexibility through related party advances and aims to manage liquidity as follows:

a. To ensure that adequate funding is available at all times;
b. To meet commitments as they arise without recurring unnecessary costs; and
c. To be able to assess funding when needed at the least possible cost.

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted cash flows:

	2023					
	Payable on Demand	**30 Days**	**60 Days**	**90 Days**	**120 Days and More**	**Total**
Accounts payable and other liabilities*	**₱6,888,504**	**₱19,700,424**	**₱99,408,415**	**₱–**	**₱–**	**₱125,997,343**
Security deposits	**–**	**–**	**–**	**–**	**4,402,933**	**4,402,933**
	₱6,888,504	**₱19,700,424**	**₱99,408,415**	**₱–**	**₱4,402,933**	**₱130,400,276**

**Excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income.*

	2022					
	Payable on Demand	30 Days	60 Days	90 Days	120 Days and More	Total
Accounts payable and other liabilities*	₱8,936,037	₱22,375,204	₱95,096,134	₱–	₱–	₱126,407,375
Security deposits	–	–	–	–	3,839,825	3,839,825
	₱8,936,037	₱22,375,204	₱95,096,134	₱–	₱3,839,825	₱130,247,200

**Excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income.*

27. **Operating Segment Information**

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

(a) The 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 involve delivering outpatient health care services through ambulatory care centers. These include the sale of goods and services.

(c) The 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 or investments in associates and trading of financial assets at fair value through profit or loss.

Segment Assets and Liabilities
Segment assets include all operating assets used by a segment and consist principally of cash and cash equivalents, receivables, inventories, property and equipment, and investment properties. Segment liabilities include all operating liabilities and consist principally of accounts payable and accrued expenses and payable to non-controlling interests.

Financial information about reportable segments follows (in thousands):

	2023				
	Real Estate	**Healthcare Services**	**Investment Holdings**	**Eliminating Entries**	**Total**
Segment revenue	**₱100,192**	**₱68,698**	**₱1,539**	**₱–**	**₱170,429**
Inter-segment revenue	**11,851**	**–**	**–**	**(11,851)**	**–**
Net revenue	**₱112,043**	**₱68,698**	**₱1,539**	**(₱11,851)**	**₱170,429**
Segment results					
Income before income tax	**₱45,229**	**₱15,082**	**₱2,687**	**₱–**	**₱62,998**
Provision for income tax	**(6,421)**	**(3,551)**	**–**	**–**	**(9,972)**
Net income	**₱38,808**	**₱11,531**	**₱2,687**	**₱–**	**₱53,026**
Total assets as at end of year	**₱3,074,495**	**₱62,717**	**₱56,641**	**(₱642,630)**	**₱2,551,223**
Total liabilities as at end of year	**₱275,028**	**₱12,220**	**₱58**	**(₱83,000)**	**₱204,306**
Additions to -					
Property and equipment	**₱11,777**	**₱2,804**	**₱–**	**₱–**	**₱14,581**
Other information -					
Depreciation and amortization	**₱13,487**	**₱1,333**	**₱–**	**₱–**	**₱14,820**

	2022				
	Real Estate	Healthcare Services	Investment Holdings	Eliminating Entries	Total
Segment revenue	₱154,615	₱65,470	₱2,695	₱–	₱222,780
Inter-segment revenue	38,573	–	–	(38,573)	–
Net revenue	₱193,188	₱65,470	₱2,695	(₱38,573)	₱222,780
Segment results					
Income before income tax	₱313,954	₱12,786	(₱2,721)	(₱240,910)	₱83,109
Provision for income tax	(12,449)	(2,151)	(39)	–	(14,639)
Net income (loss)	₱301,505	₱10,635	(₱2,760)	(₱240,910)	₱68,470
Total assets as at end of year	₱3,032,178	₱50,980	₱53,997	(₱642,490)	₱2,494,665
Total liabilities as at end of year	₱271,461	₱12,290	₱100	(₱82,753)	₱201,098
Additions to:					
Property and equipment	₱12,991	₱2,131	₱–	₱–	15,122
Other information -					
Depreciation and amortization	₱10,661	₱1,545	₱–	₱–	₱12,206

	2021				
	Real Estate	Healthcare Services	Investment Holdings	Eliminating Entries	Total
Segment revenue	₱155,886	₱51,259	₱2,356	₱–	₱209,501
Inter-segment revenue	9,697	–	12,500	(22,197)	–
Net revenue	₱165,583	₱51,259	₱14,856	(₱22,197)	₱209,501
Segment results					
Income before income tax	₱113,558	₱2,172	₱7,928	(₱12,500)	₱111,158
Provision for (benefit from) income tax	(13,524)	(2,980)	(2)	–	(16,506)
Net income (loss)	₱100,034	(₱808)	₱7,926	(₱12,500)	₱94,652
Total assets as at end of year	₱2,414,315	₱44,274	₱427,264	(₱430,194)	₱2,455,659
Total liabilities as at end of year	₱184,547	₱17,191	₱76,697	(₱77,203)	₱201,232
Additions to -					
Property and equipment	₱25,400	₱82	₱–	₱–	₱25,482
Other information -					
Depreciation and amortization	₱9,034	₱1,584	₱1,312	₱–	₱11,930

<u>Major Customer</u>

The Group does not have a single external customer from which sales revenue generated amounted to 10% or more of the total revenue of the Group.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

BDO Towers Valero
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Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
CROWN EQUITIES, INC. AND SUBSIDIARIES
5th Floor Crown Center
158 Jupiter cor. N. Garcia Sts.
Bel-Air Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of CROWN EQUITIES, INC. AND SUBSIDIARIES (the "Group") as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated March 26, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 and no material exceptions were noted.

REYES TACANDONG & CO.

WILSON P. TEO
Partner
CPA Certificate No. 92765
Tax Identification No. 191-520-944-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-014-2023
Valid until January 24, 2026
PTR No. 10072414
Issued January 2, 2024, Makati City

March 26, 2024
Makati City, Metro Manila

CROWN EQUITIES, INC. AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

Below is a schedule showing financial soundness indicators of the Group.

Ratio	Formula	**2023**	2022	2021
Current ratio				
	Current assets	**₱1,055,539,928**	₱1,008,890,124	₱975,294,826
	Divide by current liabilities	**158,201,653**	157,928,348	166,809,798
	Current Ratio	**6.67**	6.39	5.85
Acid test ratio				
	Current assets	**₱1,055,539,928**	₱1,008,890,124	₱975,294,826
	Less:			
	Inventories	**77,831,881**	88,990,602	107,080,805
	Other current assets	**41,134,039**	40,846,876	46,233,320
	Quick assets	**936,574,008**	879,052,646	821,980,701
	Divide by current liabilities	**158,201,653**	157,928,348	166,809,798
	Acid Test Ratio	**5.92**	5.57	4.93
Solvency ratio				
	Income before tax	**₱62,997,717**	₱83,108,508	₱111,158,200
	Add depreciation and amortization	**14,820,039**	12,205,647	11,929,797
	Net income before depreciation and amortization	**77,817,756**	95,314,155	123,087,997
	Divide by total liabilities	**204,305,216**	201,098,051	201,232,080
	Solvency Ratio	**0.38**	0.47	0.61
Debt-to-equity ratio				
	Total liabilities	**₱204,305,216**	₱201,098,051	₱201,232,080
	Divide by total equity	**2,346,917,470**	2,293,566,815	2,254,427,012
	Debt-to-Equity Ratio	**0.09**	0.09	0.09
Asset-to-equity ratio				
	Total assets	**₱2,551,222,686**	₱2,494,664,866	₱2,455,659,092
	Divide by total equity	**2,346,917,470**	2,293,566,815	2,254,427,012
	Asset-to-Equity Ratio	**1.09**	1.09	1.09
Interest rate coverage ratio				
	Income before tax	**₱62,997,717**	₱83,108,508	₱111,158,200
	Add interest expense	**–**	–	–
	Pretax income before interest	**62,997,717**	83,108,508	111,158,200
	Divide by interest expense	**–**	–	–
	Interest Rate Coverage Ratio	n/a	n/a	n/a

Ratio	Formula	**2023**	2022	2021
Return on equity				
	Net income attributable to equity holders of the Parent Company	**₱39,529,284**	₱50,664,302	₱75,709,746
	Equity:			
	Beginning of year	**2,293,566,815**	2,254,427,012	2,198,026,737
	End of year	**2,346,917,470**	2,293,566,815	2,254,427,012
		4,640,484,285	4,547,993,827	4,452,453,749
	Divide by	**2**	2	2
	Average equity	**2,320,242,143**	2,273,996,914	2,226,226,875
	Return on Equity	**1.70%**	2.23%	3.40%
Return on assets				
	Net income	**₱53,026,388**	₱68,469,645	₱94,651,980
	Total assets:			
	Beginning of year	**2,494,664,866**	2,455,659,092	2,384,809,648
	End of year	**2,551,222,686**	2,494,664,866	2,455,659,092
		5,045,887,552	4,950,323,958	4,840,468,740
	Divide by	**2**	2	2
	Average assets	**2,522,943,776**	2,475,161,979	2,420,234,370
	Return on Assets	**2.10%**	2.77%	3.91%
Net profit margin				
	Net income	**₱53,026,388**	₱68,469,645	₱94,651,980
	Revenue	**170,429,003**	222,779,831	209,500,746
	Net Profit Margin	**0.31**	0.31	0.45

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REPORT OF INDEPENDENT AUDITORS' ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
CROWN EQUITIES, INC. AND SUBSIDIARIES
5th Floor Crown Center
158 Jupiter cor. N. Garcia Sts.
Bel-Air Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of CROWN EQUITIES, INC. AND SUBSIDIARIES (the "Group") as at and for the year ended December 31, 2023 and have issued our report thereon dated March 26, 2024.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Supplementary Schedules are the responsibility of the Group's management. These supplementary schedules include the following:

- Reconciliation of Retained Earnings Available for Dividend Declaration of the Parent Company as at December 31, 2023
- Supplementary Schedules as Required by Part II of the Revised Securities Regulation Code (SRC) Rule 68 as at December 31, 2023
- Conglomerate Map as at December 31, 2023

These schedules are presented for the purpose of complying with the Revised SRC Rule 68 and are not part of the basic consolidated financial statements. The information in these supplementary schedules have been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

REYES TACANDONG & CO.

WILSON P. TEO
Partner
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PTR No. 10072414
Issued January 2, 2024, Makati City

March 26, 2024
Makati City, Metro Manila

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023

CROWN EQUITIES, INC.

5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air Makati City

	Amount
Retained earnings, beginning of reporting period	**₱204,966,428**
Add net income for the current year	**13,880,522**
Add: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Unrealized fair value adjustment (mark to market gains) of financial instruments at fair value through profit or loss (FVPL)	**6,449,322**
Add: Category C.2: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Realized fair value adjustment (mark to market gains) of financial instruments at fair value through profit or loss (FVPL)	**12,278,632**
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement in deferred tax recognized in profit or loss	**(1,165,781)**
Total retained earnings, end of the reporting period available for dividend	**₱236,409,123**

CROWN EQUITIES, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II OF THE REVISED SRC RULE 68
DECEMBER 31, 2023

CROWN EQUITIES, INC. AND SUBSIDIARIES

Financial Assets
DECEMBER 31, 2023

Name of issuing entity & association of each issue	Number of shares or principal amount of bonds and notes	Amount shown on the balance sheet	Values based on market quotation at end of reporting period	Income received and accrued
Fair Value Through Profit or Loss				
ABOITIZ POWER	100,000	3,780,000	3,780,000	₱187,000
AC ENERGY PHILIPPINES, INC.	30,090	131,794	131,794	1,204
AREIT INC.	40,000	1,336,000	1,336,000	84,800
ASIA UNITED BANK	13,500	441,450	441,450	20,970
BASIC ENERGY CORP.	3,333	590	590	–
BELLE CORPORATION	75	88	88	4
BGF ASIAN HIGH YIELD	14,393	3,761,507	3,761,507	400,133
BYD COMPANY	8,640	13,131,933	13,131,933	69,033
CAPITALAND ASCENDAS REIT	–	–	–	221,675
CEMEX HOLDINGS PHILIPPINES, INC.	576	542	542	–
CHINA BANKING CORPORATION	17,972	554,436	554,436	34,147
CITICORE ENERGY REIT CORP.	1,028,800	2,633,728	2,633,728	224,901
COSCO CAPITAL	27,000	124,740	124,740	5,130
CYBERBAY CORPORATION	1,200,000	–	–	–
D&L INDUSTRIES, INC.	11,000	69,410	69,410	3,300
DOUBLEDRAGON PROPERTIES CORP	23,200	2,157,600	2,157,600	187,488
EASTWEST	68,617	584,617	584,617	28,133
EMPIRE EAST LAND INC.	400,000	50,400	50,400	–

Name of issuing entity & association of each issue	Number of shares or principal amount of bonds and notes	Amount shown on the balance sheet	Values based on market quotation at end of reporting period	Income received and accrued
ESR REIT SG	265,935	3,570,871	3,570,871	254,487
EXPORT AND INDUSTRY BANK	3,310,000	–	–	–
FILINVEST LAND INC. - REIT	427,200	1,102,176	1,102,176	121,325
GLOBE TELECOM	1,382	2,377,040	2,377,040	175,700
GMA NETWORK INC.	271,500	2,280,600	2,280,600	332,200
IP E-GAME VENTURES INC.	10,000,000	–	–	–
KEPPEL DC REIT	–	–	–	146,542
MANILA ELECTRIC COMPANY	16,000	6,384,000	6,384,000	312,768
MANILA MINING	8,988	41	41	–
MANILA WATER COMPANY, INC.	289,100	5,377,260	5,377,260	178,953
MAPLETREE INDUSTRIAL TRUST	100,000	10,532,280	10,532,280	503,153
MAPPLETREE LOGISTICS	–	–	–	198,158
MREIT INC.	81,500	1,002,450	1,002,450	80,196
NEXTGENESIS CORP	15,000	–	–	–
NICKEL ASIA CORPORATION	303,700	1,664,276	1,664,276	72,888
OCCIDENTAL PETROLEUM COR.	2,000	6,612,285	6,612,285	21,212
ORIENTAL PETROLEUM & MINERAL "A"	117,021,003	936,168	936,168	58,511
ORIENTAL PETROLEUM & MINERAL "B"	30,000,000	243,000	243,000	15,000
PETRON CORP.	–	–	–	2,200
PLDT	9,520	12,176,080	12,176,080	1,082,160
SHANG PROPERTIES INC	367,277	1,347,907	1,347,907	114,040
SHELL PROPERTIES INC.	93,700	1,025,078	1,025,078	–
SINGAPORE TELECOM. LTD	–	–	–	242,077
SPC POWER CORP	10,000	70,000	70,000	2,000
UNION BANK OF THE PHILS	6,374	320,931	320,931	12,748

Name of issuing entity & association of each issue	Number of shares or principal amount of bonds and notes	Amount shown on the balance sheet	Values based on market quotation at end of reporting period	Income received and accrued
WESTPAC BANKING CORP.	–	–	–	363,496
ZEUS HOLDINGS	1,190,000	84,490	84,490	–
	166,777,375	₱85,865,768	₱85,865,768	₱5,757,732

SCHEDULE C

CROWN EQUITIES, INC. AND SUBSIDIARIES

Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of the Financial Statements
DECEMBER 31, 2023

Name of and Designation of Debtor	Balance at Beginning of Year	Additions	Amounts collected	Amounts Written–off	Current	Noncurrent	Balance at End of Year
Healthcare Systems Asia Phils. Inc.	₱72,189,862	₱–	₱–	₱–	₱72,189,862	₱–	₱72,189,862

SCHEDULE G

CROWN EQUITIES, INC. AND SUBSIDIARIES

Capital Stock
DECEMBER 31, 2023

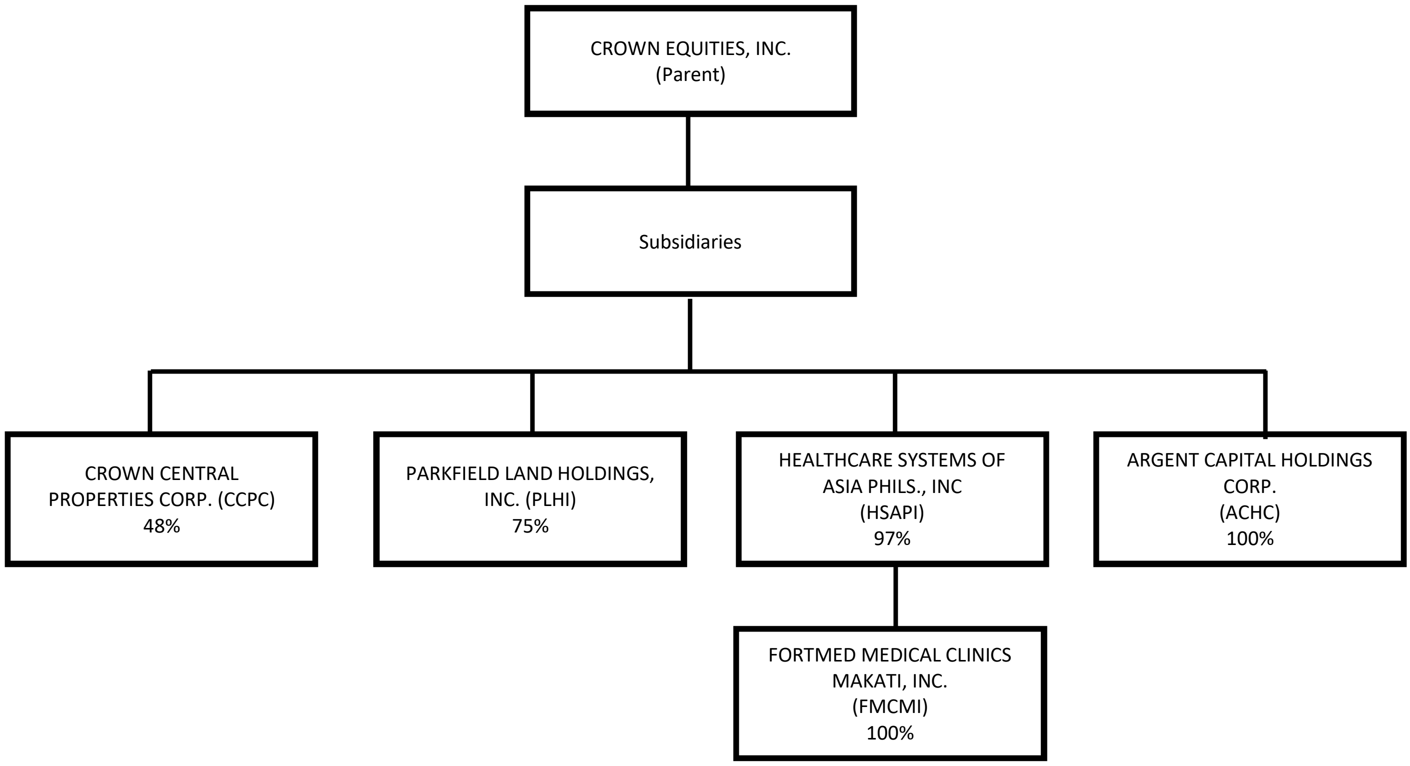
				Number of shares held by		
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Related parties	Directors, officers and employees*	Others
Common Stock	24,000,000,000	14,959,999,950	–	–	2,500,080,226	12,459,919,724

**includes indirectly held but beneficially owned shares*

CROWN EQUITIES, INC. AND SUBSIDIARIES

CONGLOMERATE MAP

DECEMBER 31, 2023



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, 2024**

2. Commission Identification Number: **39745** 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 in Company or organization: **Philippines**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office: Postal Code: **1209**
Crown Center, 158 Jupiter Corner N. Garcia Street, Bel-Air, Makati City

8. Issuer's telephone number, including area code: **(632) 8899-04-55**

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	**14,959,999,950 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 Company 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 [ ]

COVER SHEET

3 9 7 4 5

S.E.C. Registration Number

CROWN EQUITIES, INC. AND SUBSIDIARIES

(Group's Full Name)

Crown Center, 158 Jupiter corner N. Garcia Streets, Makati City

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

Atty. Gino Paulo O. Uy

Contact Person

(02) 8687 1195

Group Telephone Number

12 31

Month *Day*

SEC17Q

FORM TYPE

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

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

Financial Condition
Period end March 31, 2024 versus Period end December 31, 2023

ASSETS	March 2024 Unaudited	December 2023 Audited	Increase (Decrease)	% Change
Current Assets				
Cash and cash equivalents	793,936,465	785,507,527	8,428,938	1.07%
Investments in quoted shares	79,581,535	85,865,768	(6,284,234)	-7.32%
Receivables	77,014,496	65,200,713	11,813,784	18.12%
Inventories	78,269,943	77,831,881	438,062	0.56%
Other current assets	41,477,005	41,134,039	342,966	0.83%
Total Current Assets	1,070,279,444	1,055,539,928	14,739,516	1.40%
Noncurrent Assets				
Receivables	89,249,697	91,276,051	(2,026,354)	-2.22%
Investment properties	1,072,297,593	1,072,639,762	(342,168)	-0.03%
Property and equipment	270,035,751	271,392,417	(1,356,666)	-0.50%
Goodwill	21,740,604	21,740,604	-	0.00%
Deferred tax assets	20,745,448	20,745,448	-	0.00%
Other noncurrent assets	17,445,048	17,888,476	(443,428)	-2.48%
Total Noncurrent Assets	1,491,514,141	1,495,682,758	(4,168,617)	-0.28%
	2,561,793,585	2,551,222,686	10,570,899	0.41%

Total assets remained stable with a slight increase to ₱2.56 billion as of the end of the first quarter of 2024 from ₱2.55 billion at year-end 2023.

- Cash increased by ₱8.43 million during the period primarily coming from interest received from installment contracts receivables and interest earned from short-term placements.

- Current receivables increased by 18% to ₱77.01 million due to collectibles from a joint venture account to which collections from real estate buyers are remitted.

- Investment in quoted shares decreased by 7% as a result of unrealized loss from movements in value.

- Non-current receivables decreased by ₱2.03 million due to maturing installment contracts receivables during the period.

- Property and equipment decreased by ₱1.36 million as result of depreciation.

LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	160,054,189	157,039,145	3,015,043.61	1.92%
Income tax payable	1,433,902	1,162,508	271,394.33	0.00%
Total Current Liabilities	161,488,091	158,201,653	3,286,438	2.08%
Noncurrent Liabilities				
Net Retirement benefits liability	28,040,536	26,979,499	1,061,038	3.93%
Deferred tax liabilities	14,721,131	14,721,131	-	0.00%
Security deposits	4,402,933	4,402,933	-	0.00%
Total Noncurrent Liabilities	47,164,601	46,103,563	1,061,038	2.30%
Total Liabilities	208,652,692	204,305,216	4,347,476	2.13%
Equity				
Capital stock	1,977,523,246	1,977,523,246	-	0.00%
Additional paid-in capital	118,570,274	118,570,274	-	0.00%
Retained earnings	585,944,762	581,666,853	4,277,909	0.74%
Other comprehensive income (loss)	(18,771,021)	(18,771,021)	-	0.00%
	2,663,267,261	2,658,989,352	4,277,909	0.16%
Treasury stock - at cost	(481,523,251)	(481,523,251)	-	0.00%
Equity Attributable to Equity Holders of the Parent Company	2,181,744,010	2,177,466,101	4,277,909	0.20%
Non-controlling interests	171,396,883	169,451,369	1,945,514	1.15%
Total Equity	2,353,140,893	2,346,917,470	6,223,423	0.27%
	2,561,793,585	2,551,222,686	10,570,899	0.41%

Total liabilities increased by ₱4.35 million to ₱208.65 million as of March 31, 2024 from ₱204.31 million as at year-end 2023.

- Accounts and other payables increased by ₱3.02 million due to additional accrued operating expenses and payables to suppliers.
- Accrual of retirement benefit for the period also contributed to the increase in liabilities.

Total equity recorded an increase of ₱ 6.22 million after recognition of income for the first quarter of the year.

Results of Operations
For three months ended March 31, 2024 versus March 31, 2023

	For the period ended 31 March 2024 Unaudited	For the period ended 31 March 2023 Unaudited	Variance	% Variance
REVENUE				
Real estate sales	**4,167,600**	11,395,404	(7,227,804)	-63%
Sale of services	**17,338,244**	18,958,790	(1,620,546)	-9%
Interest income from installment contracts receivable	**3,459,453**	4,148,894	(689,441)	-17%
Rental income	**4,135,693**	3,995,816	139,878	4%
Dividend income	**811,169**	1,237,328	(426,159)	-34%
	29,912,159	39,736,232	(9,824,072)	-25%
DIRECT COSTS	**9,900,310**	12,042,219	(2,141,909)	-18%
GROSS INCOME	**20,011,849**	27,694,012	(7,682,163)	-28%
SELLING AND ADMINISTRATIVE EXPENSES	**24,696,101**	24,288,402	407,699	2%
OTHER INCOME (CHARGES) – Net	**12,717,901**	13,163,564	(445,663)	-3%
INCOME BEFORE INCOME TAX	**8,033,650**	16,569,175	(8,535,525)	-52%
PROVISION FOR (BENEFIT FROM) INCOME TAX			-	
INCOME TAX EXPENSE- NET	**1,810,233**	3,484,686	(1,674,453)	-48%
NET INCOME	**6,223,416**	13,084,489	(6,861,073)	-52%
TOTAL COMPREHENSIVE INCOME	**6,223,416**	13,084,489	(6,861,073)	-52%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	**4,277,909**	10,346,105	(6,068,196)	-59%
Non-controlling interests	**1,945,514**	2,738,384	(792,870)	-29%
	6,223,423	13,084,489	(6,861,066)	-52%

- Total revenues for the first quarter of 2024 amounted to ₱29.91 million.
  - Real estate revenues from sales, interest, and rent accounted for 39% of consolidated revenues. Real estate sales from Palma Real Residential Estates and Cypress Towers declined to ₱4.17 million in 2024 due to lower recognition of ongoing accounts that reached the collection threshold. Interest from installment contracts receivables decreased to ₱3.46 million as contracts mature overtime. Rental income from the lease of office space in Crown Center and lease of units and parking space in Cypress Towers increased by 4% to ₱4.14 million from escalation rates of ongoing lease agreements.
  - Revenues for healthcare services accounted for 58% of consolidated revenues with sale of medical services amounting to ₱17.34 million in the first quarter of 2024. This is a slight decline of 9% due to non-renewal of a few medical services and retainership agreements.
- Despite lower revenues recognized, gross income margin this year was maintained at level comparable to the previous year at 67% in 2024. Consolidated gross income amounted to ₱ 20.01 million for the first quarter of the current year.
- Other income registered ₱12.72 million, slightly down 3% from last year. This was primarily due to unrealized loss resulting from unfavorable movement in value of investment in quoted shares in the equities market.

- Net income for the first quarter of 2024 amounted to P6.22 million compared to P13.08 million during the same period in 2023.

Key Performance Indicators
Period end March 31, 2024 versus Period end December 31, 2023

Indicator	As of		Formula
	Mar. 2024	Dec. 2023	
Current Ratio	6.63x	6.67x	$\frac{Current\ Assets}{Current\ Liabilities}$
Cash Ratio	4.92x	4.97x	$\frac{Cash\ and\ Cash\ equivalents}{Current\ Liabilities}$
Debt-Equity Ratio	0.09x	0.09x	$\frac{Total\ Liabilities}{Total\ Equity}$
Debt-Asset Ratio	0.08x	0.08x	$\frac{Total\ Liabilities}{Total\ Assets}$
Asset-Equity Ratio	1.09x	1.09x	$\frac{Total\ Asset}{Total\ Equity}$
Investment Ratio	0.42x	0.42x	$\frac{Total\ Investment\ and\ Advances}{Total\ Asset}$
Gross Income Margin	66.90%	68.85%	$\frac{Gross\ Income}{Net\ Revenues}$
Net Income Margin	20.80%	45.18%	$\frac{Net\ Income\ after\ Minority\ Interest}{Net\ Revenues}$
Return on Assets	1.34%	2.10%	$\frac{Net\ Income\ after\ Minority\ Interest}{Average\ Total\ Assets}$
Earnings (Loss) Per Share	0.00029	0.00264	$\frac{Net\ Income\ after\ Minority\ Interest}{Total\ Shares\ Subscribed}$

The Company measures its performance based on the utilization of assets and the return on its investments.

- Liquidity

  Current ratio and cash ratio decreased to 6.63x and 4.92x, respectively as of March 31, 2024. However, the group remains in excellent liquidity position during the period.

- Solvency / Leverage

  Leverage stance remained the same at the end of the first quarter of 2024 with debt-equity ratio at 0.09x, debt-asset ratio at 0.08x and asset-equity ratio at 1.09x due to the group's efficient management of its liabilities. The group has a nil interest coverage ratio as it has not incurred any interest expense for the period.

- Investment

  The group's investment ratio remained positive at 0.42x as of March 31, 2024 and December 31, 2023, respectively.

- Profitability

  Gross income margin remains at a relatively high level at 66.90% while net income margin decreased to 20.80% for the first quarter of 2024.

- Return on Assets

  The annualized return on assets as of March 31, 2024 decreased to 1.34% due to lower realized income for the quarter compared to 2.10% for the whole year of 2023.

- Earnings per Share

  The company's earnings per share for the first quarter of 2024 is 0.00029 compared to 0.00264 earnings per share as of December 31, 2023. The number of outstanding shares remained the same as the previous year 2023.

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 no significant investment in any complex financial instruments. They have neither foreign currency denominated nor local peso-denominated loans. The Company's financial risk exposure is limited to its investments reported as "Investment in Quoted Shares" in its Statement of Financial Position. These investments in the local and foreign 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 regular 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.

CROWN EQUITIES, INC.

By:

Eugene B. Macalalag
First Vice President

Romuald U. Dy Tang
President

Date: April 25, 2024

ANNEX A

CROWN EQUITIES, INC. AND SUBSIDIARIES

UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2024

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	March 2024 Unaudited	December 2023 Audited
Current Assets		
Cash and cash equivalents	**793,936,465**	785,507,527
Investments in quoted shares	**79,581,535**	85,865,768
Receivables	**77,014,496**	65,200,713
Inventories	**78,269,943**	77,831,881
Other current assets	**41,477,005**	41,134,039
Total Current Assets	**1,070,279,444**	1,055,539,928
Noncurrent Assets		
Receivables	**89,249,697**	91,276,051
Investment properties	**1,072,297,593**	1,072,639,762
Property and equipment	**270,035,751**	271,392,417
Goodwill	**21,740,604**	21,740,604
Deferred tax assets	**20,745,448**	20,745,448
Other noncurrent assets	**17,445,048**	17,888,476
Total Noncurrent Assets	**1,491,514,141**	1,495,682,758
	2,561,793,585	2,551,222,686

LIABILITIES AND EQUITY	March 2024 Unaudited	December 2023 Audited
Current Liabilities		
Accounts and other payables	**160,054,189**	157,039,145
Income tax payable	**1,433,902**	1,162,508
Total Current Liabilities	**161,488,091**	158,201,653
Noncurrent Liabilities		
Net Retirement benefits liability	**28,040,536**	26,979,499
Deferred tax liabilities	**14,721,131**	14,721,131
Security deposits	**4,402,933**	4,402,933
Total Noncurrent Liabilities	**47,164,601**	46,103,563
Total Liabilities	**208,652,692**	204,305,216
Equity		
Capital stock	**1,977,523,246**	1,977,523,246
Additional paid-in capital	**118,570,274**	118,570,274
Retained earnings	**585,944,762**	581,666,853
Other comprehensive income (loss)	**(18,771,021)**	(18,771,021)
	2,663,267,261	2,658,989,352
Treasury stock - at cost	**(481,523,251)**	(481,523,251)
Equity Attributable to Equity Holders of the Parent Company	**2,181,744,010**	2,177,466,101
Non-controlling interests	**171,396,883**	169,451,369
Total Equity	**2,353,140,893**	2,346,917,470
	2,561,793,585	2,551,222,686

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

	For the period ended 31 March 2024 Unaudited	For the period ended 31 March 2023 Unaudited
REVENUE		
Real estate sales	**4,167,600**	11,395,404
Sale of services	**17,338,244**	18,958,790
Interest income from installment contracts receivable	**3,459,453**	4,148,894
Rental income	**4,135,693**	3,995,816
Dividend income	**811,169**	1,237,328
	29,912,159	39,736,232
DIRECT COSTS	**9,900,310**	12,042,219
GROSS INCOME	**20,011,849**	27,694,012
SELLING AND ADMINISTRATIVE EXPENSES	**24,696,101**	24,288,402
OTHER INCOME (CHARGES) – Net	**12,717,901**	13,163,564
INCOME BEFORE INCOME TAX	**8,033,650**	16,569,175
PROVISION FOR (BENEFIT FROM) INCOME TAX		
INCOME TAX EXPENSE- NET	**1,810,233**	3,484,686
NET INCOME	**6,223,416**	13,084,489
TOTAL COMPREHENSIVE INCOME	**6,223,416**	13,084,489
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**4,277,909**	10,346,105
Non-controlling interests	**1,945,514**	2,738,384
	6,223,423	13,084,489

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

	March 2024 Unaudited	March 2023 Unaudited
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
Capital Stock		
Balance at beginning of year	**1,977,523,246**	1,977,523,246
Balance at end of year	**1,977,523,246**	1,977,523,246
Additional Paid-in Capital	**118,570,274**	118,570,274
Retained Earnings		
Balance at beginning of year	**581,666,853**	542,137,569
Net income	**4,277,909**	10,346,105
Balance at end of year	**585,944,762**	552,483,674
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss:		
Cumulative Unrealized Fair Value Losses on Financial Assets At FVOCI		
Balance at beginning of year	**(32,000,000)**	(32,000,000)
Balance at end of year	**(32,000,000)**	(32,000,000)
Cumulative Remeasurement Gains on Net Retirements Benefits Liability		
Balance at beginning of year	**13,228,979**	12,961,069
Balance at end of year	**13,228,979**	12,961,069
	(18,771,021)	(19,038,931)
Treasury Shares	**(481,523,251)**	(481,523,252)
	2,181,744,010	2,148,015,011
NON-CONTROLLING INTERESTS		
Balance at beginning of year	**169,451,369**	155,897,908
Total comprehensive income attributable to non-controlling interests	**1,945,514**	2,738,384
Balance at end of year	**171,396,883**	158,636,292
	2,353,140,893	2,306,651,309

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

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**8,033,650**	16,569,175
Adjustments for:		
Interest income		
Cash in banks and short-term placements	**(9,576,218)**	(8,769,332)
Installment contracts receivable	**(3,459,453)**	(4,148,894)
Loans receivable	**(122,995)**	-
Depreciation and amortization	**4,157,889**	2,843,873
Unrealized loss (gain) on changes in investments in quoted shares	**1,394,460**	(4,834,040)
Dividend income	**(811,169)**	(1,237,328)
Retirement benefits	**1,061,038**	2,446,705
Unrealized foreign exchange loss (gain)	**(148,408)**	1,927,276
Operating income (loss) before working capital changes	**528,794**	4,797,436
Decrease (increase) in:		
Investments in quoted shares	**4,889,773**	13,958,960
Receivables	**(9,787,429)**	(7,744,660)
Inventories	**(438,062)**	105,944
Other assets	**(1,438,377)**	(2,184,536)
Increase (decrease) in:		
Accounts and other payables	**3,015,044**	10,217,354
Security deposits	-	647,280
Net cash generated from (used for) operations	**(3,230,258)**	19,797,779
Interest received	**13,158,666**	12,918,226
Dividends received	**811,169**	1,237,328
Net cash flows from operating activities	**10,739,577**	33,953,333

(forward)

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Investment properties	**(35,001)**	(119,312)
Property and equipment	**(2,424,053)**	(918,842)
Net cash flows from investing activities	**(2,459,054)**	(1,038,154)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**148,408**	(1,927,276)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**8,428,938**	30,987,903
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	785,507,527	645,994,640
CASH AND CASH EQUIVALENTS AT END OF YEAR	**793,936,465**	676,982,543

CROWN EQUITIES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

General Information

Crown Equities, Inc. ("CEI" or the "Parent Company"), a public corporation under Section 17.2 of the Securities Regulation Code (SRC), was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 24, 1969. The registration was extended for another 50 years in 2018. Under the Revised Corporation Code of the Philippines (the "RCC"), which was signed into law on February 20, 2019, a corporation with certificate of incorporation issued prior to the effective date of the RCC and which continues to exist shall have perpetual existence. Accordingly, the Parent Company has perpetual corporate term. The Parent Company is an investment holding company, currently engaged in the business of real estate development and healthcare through its subsidiaries. Its shares of stock are listed on the Philippine Stock Exchange (PSE).

The Parent Company's registered office address is located at the 5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air Makati City.

Subsidiaries

The consolidated financial statements include the accounts of CEI and the following subsidiaries (collectively referred herein as the "Group") as at March 31, 2024 and 2023:

Name of Subsidiary	% of Ownership	Nature of Business	Principal Place of Business
Crown Central Properties, Corp. (CCPC)	48%	Real Estate	Biñan, Laguna
Parkfield Land Holdings, Inc. (PLHI)	75%	Real Estate	Makati City
Healthcare Systems of Asia Phils., Inc (HSAPI)	97%	Holding	Makati City
Fortmed Medical Clinics Makati, Inc. (FMCMI) [a]	97%	Healthcare	Makati City
Argent Capital Holdings Corporation (ACHC)	100%	Holding	Makati City

(a) Indirectly owned through HSAPI.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRSs, Philippine Accounting Standards (PASs) and Philippine Interpretations on International Financial Reporting Interpretations Committee (IFRIC).

Basis of Measurement

The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional currency.

The consolidated financial statements of the Group have been prepared on a historical cost basis except for investments in quoted shares designated as financial assets at fair value through profit or loss (FVPL), investment in unquoted shares designated as financial assets at fair value through other comprehensive income (FVOCI), and net retirement benefits liability which is carried at the present value of the defined benefit obligation net of the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

Basis of Consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries.

Subsidiaries. Subsidiaries are entities in which the Group has control. The Group controls a subsidiary if it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Control is generally accompanied by a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls an entity. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the subsidiaries acquired or disposed of are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in the ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of interest retained.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group, presented within equity in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent Company. Non-controlling interests represent the interests of minority shareholders of CCPC, PLHI, HSAPI and FMCMI.

3. 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.

4. Other Information

Business Segment

For management purposes, the Group is organized into three (3) 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 out-patient health care service through ambulatory care centers. This includes the sale of medical goods and services.

c. Investment holdings create project investments and later dispose these investments after creating value.

The following tables present revenue and profit information regarding business segments of the Group for the three-month period ended March 31, 2024 and 2023 and certain assets and liability information regarding industry segments as at March 31, 2024 and 2023 (in thousands).

	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
Year to Date March 31, 2024					
REVENUES	14,882	17,338	655	(2,963)	29,912
RESULTS					
Segment results	(7,788)	2,936	168	-	(4,684)
Other income	11,189	477	1,053	-	12,718
Income Tax Expense	(922)	(877)	(11)	-	(1,810)
Minority Interest	(1,869)	(76)	(1)	-	(1,946)
Net Income (Loss)	610	2,459	1,208	-	4,278
ASSETS AND LIABILITIES					
Segment Assets	2,988,688	65,543	128,559	(642,738)	2,540,053
Intangible Assets	-	-	21,741	-	21,741
Total Assets	2,988,688	65,543	150,300	(642,738)	2,561,794
Segment Liabilities	206,258	12,510	72,885	(83,000)	208,653
OTHER SEGMENT INFORMATION					
Depreciation	3,347	467	344	-	4,158
Capital Expenditure in property and equipment	1,674	751	-	-	2,424
Capital Expenditure in Investment Property	35	-	-	-	35
Investments and advances in associates – net	563,270	-	21,329	(584,600)	-

Amounts in Php thousands.

	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
Year to Date March 31, 2023					
REVENUES	23,123	18,959	617	(2,963)	39,736
RESULTS					
Segment results	(1,868)	5,162	112	-	3,406
Other income	10,841	270	2,053	-	13,164
Income Tax Expense	(2,148)	(1,169)	(168)	-	(3,485)
Minority Interest	(2,612)	(128)	1	-	(2,738)
Net Income (Loss)	4,213	4,136	1,998	-	10,346
ASSETS AND LIABILITIES					
Segment Assets	2,959,264	56,941	127,169	(642,490)	2,500,885
Intangible Assets	-	-	21,741	-	21,741
Total Assets	2,959,264	56,941	148,909	(642,490)	2,522,625
Segment Liabilities	211,530	13,987	73,210	(82,753)	215,974
OTHER SEGMENT INFORMATION					
Depreciation	2,096	390	357	-	2,844
Capital Expenditure in property and equipment	652	267		-	919
Capital Expenditure in Investment Property	119	-	-	-	119
Investments and advances in associates – net	563,270	-	21,329	(584,600)	-

Amounts in Php thousands.

Income (Loss) Per Share

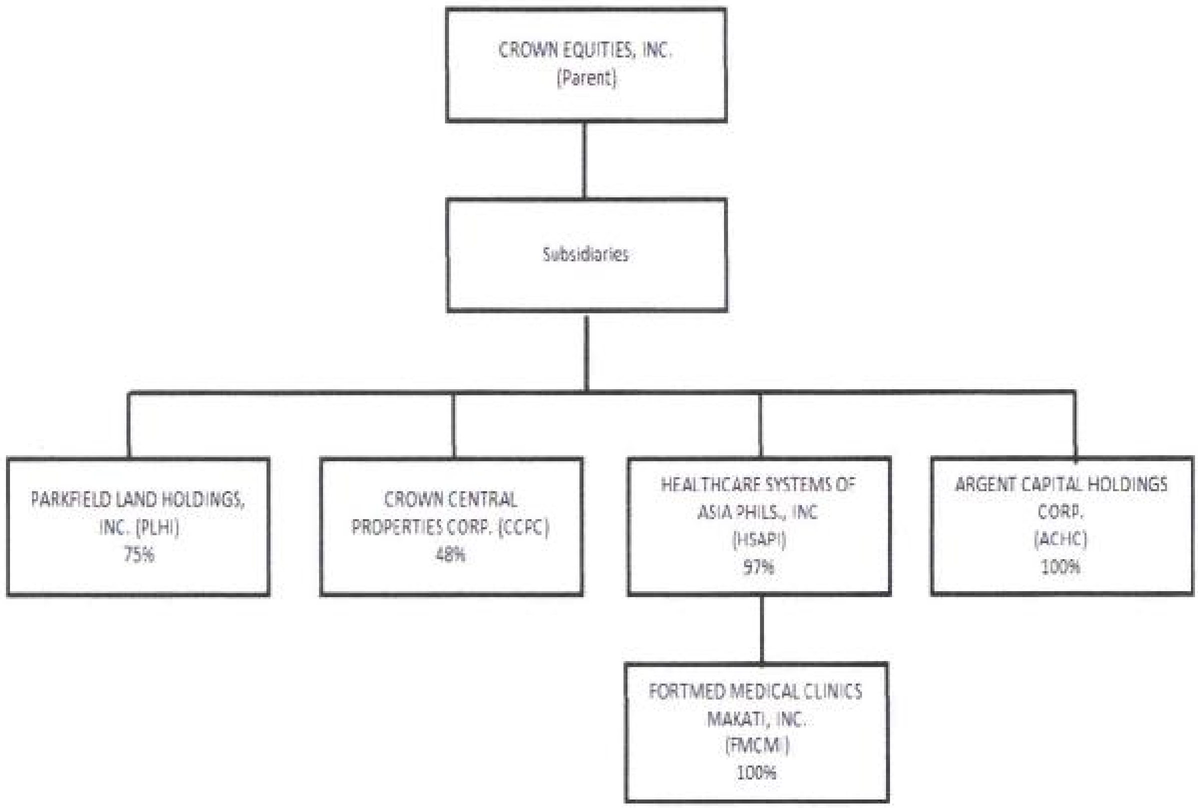
Income (loss) per share is computed by dividing net income or loss attributable to parent stockholders by the weighted average number of common shares outstanding during the year. Income (loss) per share amounts were computed as follows:

	As of Mar. 31, 2024	As of Mar. 31, 2023
Net income (loss) attributable to parent stockholders	**₱4,277,909**	₱10,346,105
Divided by weighted Average number of Outstanding common shares	**14,959,999,950**	14,959,999,950
Income (loss) per share	**₱0.000286**	₱0.000692

CROWN EQUITIES INC. AND SUBSIDIARIES
Aging of Finacial Assets
As of March 31, 2024

Type of Accounts	TOTAL	Neither past due nor impaired	Past due but not impaired			Impaired
			31-60 days	61-120 days	over 120 days	
Financial Assets						
a. Cash and Cash Equivalents						
1. Cash In Bank	159,197,120	159,197,120				
2. Short Term Placement	634,739,344	634,739,344				
	793,936,465	**793,936,465**				
	-					
b. Trade Receivable						
1. Installment Contracts Receivable	96,371,424	92,980,301	403,018	-	2,988,106	-
2. Receivable from sale of medical goods and services	18,274,547	3,932,192	6,196,435	923,215	-	7,222,703
Less: Allowance for impaiment losses	(7,222,704)	-	-	-	-	(7,222,704)
Net Trade Receivable	**107,423,267**	**96,912,494**	**6,599,453**	**923,215**	**2,988,106**	-
c. Non Trade Receivable						
1. Due from project developer	12,741,843					12,741,843
2. Loan Receivables	10,248,379	215,468			10,032,911	
3. Receivable from real estate buyers	1,963,668	1,963,668				
4. Billed rentals	2,265,580	430,352				1,835,228
5. Others	46,454,388				46,198,527	255,861
Sub-Total	**73,673,859**	**2,609,488**			**56,231,438**	**14,832,932**
Less:Allowance for impaiment losses	(14,832,932)					(14,832,932)
Net Non-Trade Receivable	**58,840,926**	**2,609,488**			**56,231,438**	-

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONGLOMERATE MAP
March 31, 2024



CROWN EQUITIES, INC. AND SUBSIDIARIES
SCHEDULE OF ALL PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS AS AT MARCH 31, 2024

Title	Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics	✓		
PFRS Practice Statement Management Commentary			✓
PFRS Practice Statement 2: Making Materiality Judgments			✓

Philippine Financial Reporting Standards (PFRS)

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	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			✓
	Amendments to PFRS 1: First-time Adoption of Philippine Financial Reporting Standards - Deletion of Short-term Exemptions for First-time Adopters	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		

PFRS	Title	Adopted	Not Adopted	Not Applicable
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PFRS 4: Applying PFRS 9, *Financial Instruments* with PFRS 4, *Insurance Contracts*			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendment to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective 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	✓		
	Amendment to PFRS 7: Servicing Contracts			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments	✓		
	Amendments to PFRS 8: Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements	✓		

PFRS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception			✓
	Amendment to PFRS 12: Clarification of the Scope of the Standard	✓		
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		
	Amendments to PFRS 15: Clarifications to PFRS 15	✓		

Philippine Accounting Standards (PASs)

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendment to PAS 1: Clarification of the Requirements for Comparative Presentation	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 1: Classification of Liabilities as Current or Noncurrent	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 12	Income Taxes	✓		
	Amendments to PAS 12: Deferred Tax Related Assets and Liabilities from a Single Transaction	✓		
	Amendments to PAS 12: Recovery of Underlying Assets	✓		
	Amendments to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing Equipment			✓
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
	Amendment to PAS 16: Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortization	✓		
	Amendment to PAS 16: Agriculture: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendment to PAS 19: Defined Benefit Plans: Employee Contributions	✓		
	Amendment to PAS 19: Discount Rate: Regional Market Issue			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendment to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PAS 27: Investment Entities	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			✓
	Amendments to PAS 28: Measuring an Associate or Joint Venture at Fair Value			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Financial Instruments: Presentation	✓		
	Amendments to PAS 32: 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	✓		
	Amendments to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
	Amendment to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities			✓
	Amendment to PAS 34: Disclosure of Information 'Elsewhere in the Interim Financial Report'			✓
PAS 36	Impairment of Assets	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendment to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property	✓		
	Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property			✓
	Amendments to PAS 40: Transfers of Investment Property	✓		
PAS 41	Agriculture			✓
	Amendment to PAS 41: Agriculture: Bearer Plants			✓

Philippine Interpretations

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economics			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓

Interpretations	Title	Adopted	Not Adopted	Not Applicable
	Amendments to Philippine Interpretation IFRIC–9: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 14	PAS 19 - 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			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
IFRIC 22	Foreign Currency Transactions and Advance Consideration			✓

PHILIPPINE INTERPRETATIONS - SIC

Interpretations	Title	Adopted	Not Adopted	Not Applicable
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-32	Intangible Assets - Web Site Costs			✓

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE PERIOD ENDED MARCH 31, 2024

CROWN EQUITIES, INC.

5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air Makati City

Retained Earnings, January 1, 2024	**₱233,266,976**
Add: Net income (loss) for the period	**(1,066,066)**
Add: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax) Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	**1,821,479**
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax) Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) at fair value through profit or loss (FVPL)	**3,142,147**
Total Retained Earnings, March 31, 2024	**₱237,164,536**

Crown Equities, Inc.
Schedule M – Key Performance Indicator
March 31, 2024

Indicator	As of		Formula
	Mar. 2024	Dec. 2023	
Current Ratio	6.63x	6.67x	$\frac{Current\ Assets}{Current\ Liabilities}$
Cash Ratio	4.92x	4.97x	$\frac{Cash\ and\ Cash\ equivalents}{Current\ Liabilities}$
Debt-Equity Ratio	0.09x	0.09x	$\frac{Total\ Liabilities}{Total\ Equity}$
Debt-Asset Ratio	0.08x	0.08x	$\frac{Total\ Liabilities}{Total\ Assets}$
Asset-Equity Ratio	1.09x	1.09x	$\frac{Total\ Asset}{Total\ Equity}$
Investment Ratio	0.42x	0.42x	$\frac{Total\ Investment\ and\ Advances}{Total\ Asset}$
Gross Income Margin	66.90%	68.85%	$\frac{Gross\ Income}{Net\ Revenues}$
Net Income Margin	20.80%	45.18%	$\frac{Net\ Income\ after\ Minority\ Interest}{Net\ Revenues}$
Return on Assets	1.34%	2.10%	$\frac{Net\ Income\ after\ Minority\ Interest}{Average\ Total\ Assets}$
Earnings (Loss) Per Share	0.00029	0.00264	$\frac{Net\ Income\ after\ Minority\ Interest}{Total\ Shares\ Subscribed}$

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 23 MAY 2023

MINUTES OF THE ANNUAL MEETING
OF THE SHAREHOLDERS
OF

CROWN EQUITIES, INC.

Held via Remote Communication (Microsoft Teams)
on May 23, 2023 at 2:00 p.m.

STOCKHOLDERS PRESENT:

	No. of Shares	Percentage
Total shares issued and outstanding	14,959,999,950	100%
Stockholders present and represented	13,411,378,936	89.65%

DIRECTORS PRESENT:

Mr. George L. Go	-	Chairman
Mr. Wilfrido V. Vergara	-	Vice Chairman
Mr. Romuald U. Dy Tang	-	President
Ms. Clare D. Alvarez	-	Director
Mr. Christopher Brian C. Dy	-	Director
Mr. Patrick D. Go	-	Treasurer
Mr. Nixon Y. Lim	-	Director
Mr. Eugene B. Macalalag	-	Director
Mr. Conrado G. Marty	-	Director
Mr. Ramon A. Recto	-	Director
Mr. Melvin Andrew O. Vergara	-	Director
Mr. Emilio S. de Quiros, Jr.	-	Independent Director
Mr. Manuel E. Dimaculangan	-	Independent Director
Mr. Rodolfo B. Fernandez	-	Lead Independent Director
Mr. Reynaldo V. Reyes	-	Independent Director

PROCEEDINGS

I. CALL TO ORDER

Mr. George L. Go, Chairman, presided over the meeting and called the meeting to order. Atty. Mark O. Vergara, Corporate Secretary, recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that notices of the Annual Meeting of the Stockholders together with the agenda and the Definitive Information Statement of **CROWN EQUITIES, INC.** (the **Corporation**) were uploaded via PSE Edge and posted on the Company's website beginning May 2, 2023. In addition, the notice of the meeting was published both in print and online formats on May 1 and 2, 2023 in the Business Mirror and the Manila Times, newspapers of general circulation. A total of 13,411,378,936 common shares, or approximately 89.65% of the outstanding shares of the Corporation as of record date April 14, 2023 are present or represented in the meeting. Thus, the Corporate Secretary certified that there was a quorum to transact business. Further, the Corporate Secretary informed the stockholders and other participants that the meeting will be recorded.

III. APPROVAL OF MINUTES OF 2022 ANNUAL STOCKHOLDERS' MEETING

The Chairman presented for approval the Minutes of the Annual Stockholders' Meeting held on May 24, 2022. The Corporate Secretary informed the stockholders that unqualified votes cast for each item for approval at today's meeting shall be counted in favor of the matter under consideration. Based on the tabulation of votes, stockholders representing or owning the required majority vote passed and approved the minutes of the Stockholders' Meeting on May 24, 2022:

> "**RESOLVED**, that the stockholders of the Crown Equities, Inc. (the 'Corporation') approve the minutes of the Annual Stockholders' Meeting of the Corporation held on May 24, 2022."

Stockholders representing or owning 13,411,378,936 common shares approved the foregoing resolution. No stockholder objected nor abstained from voting.

IV. PRESIDENT'S REPORT

Upon the request of the Chairman and on behalf of Mr. Romuald U. Dy Tang, President, Mr. Eugene B. Macalalag, First Vice President, was called to give a report on the operations of the Corporation for the fiscal year 2022 and on the Audited Financial Statements as of December 31, 2022. The Audited Financial Statements for 2022 were appended to the Definitive Information Statement.

Based on the tabulation of votes, stockholders representing or owning the required majority vote approved the Report on Operations and the Audited Financial Statements as of year ended December 31, 2022:

"**RESOLVED**, that the stockholders of Crown Equities, Inc. (the 'Corporation') approve the President's Report on Operations and the Audited Financial Statements of the Corporation as of December 31, 2022 prepared by the external auditor, Reyes Tacandong & Co."

Stockholders representing or owning 13,411,378,936 common shares approved the foregoing resolution. No stockholder objected nor abstained from voting.

V. APPROVAL AND RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE FISCAL YEAR 2022

The Chairman presented for approval the acts and proceedings of the Board of Directors, Board Committees and Management of the Corporation for the fiscal year 2022. Based on the tabulation of votes, stockholders representing or owning the required majority vote passed and approved the following resolution:

"**RESOLVED**, that the stockholders of Crown Equities, Inc. (the 'Corporation') approve all the acts of the Board of Directors, Board Committees and Management of the Corporation for the fiscal year 2022."

Stockholders representing or owning 13,411,378,936 common shares approved the foregoing resolution. No stockholder objected nor abstained from voting.

VI. ELECTION OF DIRECTORS

For the next item in the agenda, the Chairman explained that in accordance with the Revised Corporation Code and the By-Laws of the Corporation, the Nomination Committee reviewed and qualified the nominees to the Board of Directors. There were fifteen (15) qualified nominees, nominated to the Board of Directors.

In accordance with the By-Laws of the Corporation, the following persons were nominated as directors of the Corporation:

1. Mr. George L. Go
2. Mr. Wilfrido V. Vergara
3. Mr. Romuald U. Dy Tang
4. Ms. Clare D. Alvarez
5. Mr. Christopher Brian C. Dy
6. Mr. Patrick D. Go
7. Mr. Nixon Y. Lim
8. Mr. Eugene B. Macalalag
9. Mr. Conrado G. Marty
10. Mr. Ramon A. Recto

11. Mr. Melvin Andrew O. Vergara
12. Mr. Emilio S. De Quiros, Jr. as Independent Director
13. Mr. Manuel E. Dimaculangan as Independent Director
14. Mr. Rodolfo B. Fernandez as Independent Director
15. Mr. Reynaldo V. Reyes as Independent Director

This announcement was followed by a motion to consider all the nominees duly-elected members of the Board of Directors for the ensuing year.

Based on the tabulation of votes, each nominee garnered the votes of stockholders representing or owning 13,411,378,936 common shares. Thereafter, the Chairman declared that all the nominees were elected as directors of the Corporation for a term of one (1) year or until their successors are duly elected and qualified. Upon motion duly made and seconded, the following resolution was approved:

> "**RESOLVED**, that the following persons be as they are elected Directors of Crown Equities, Inc. for the year 2023-2024:
>
> 1. Mr. George L. Go
> 2. Mr. Wilfrido V. Vergara
> 3. Mr. Romuald U. Dy Tang
> 4. Ms. Clare D. Alvarez
> 5. Mr. Christopher Brian C. Dy
> 6. Mr. Patrick D. Go
> 7. Mr. Nixon Y. Lim
> 8. Mr. Eugene B. Macalalag
> 9. Mr. Conrado G. Marty
> 10. Mr. Ramon A. Recto
> 11. Mr. Melvin Andrew O. Vergara
> 12. Mr. Emilio S. De Quiros, Jr. as Independent Director
> 13. Mr. Manuel E. Dimaculangan as Independent Director
> 14. Mr. Rodolfo B. Fernandez as Independent Director
> 15. Mr. Reynaldo V. Reyes as Independent Director"

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman explained that the Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the re-appointment of Reyes Tacandong & Co. as the Corporation's External Auditor for the fiscal year 2023. There being no other nominations, the nominations were closed.

Based on the tabulation of votes, stockholders representing or owning the required majority vote approved the re-appointment of Reyes Tacandong & Co. as the

Corporation's external auditor for the fiscal year 2023. Thus, the shareholders present and represented approved the following resolutions:

> "**RESOLVED**, that Reyes Tacandong & Co. is re-appointed as the external auditor of Crown Equities, Inc. (the 'Corporation') for the fiscal year 2023;
>
> "**RESOLVED, FURTHER**, that any one (1) of the President, First Vice President or Treasurer of the Corporation be authorized to negotiate the terms of the engagement of Reyes Tacandong & Co. and to sign, execute and deliver any and all documents and to do any and all acts necessary to implement the foregoing resolution."

Stockholders representing or owning 13,411,378,936 common shares approved the foregoing resolution. No stockholder objected nor abstained from voting.

VIII. OPEN FORUM

The Chairman proceeded to the open forum. Shareholders were allowed to submit their questions through e-mail and the chatbox. The Chairman asked the Host to read the questions. There were no questions sent via chatbox or email.

IX. OTHER MATTERS

There were no other matters discussed during the stockholders' meeting.

X. ADJOURNMENT

There being no other matters to be discussed, the meeting was, upon motion made and duly seconded, adjourned.

Certified Correct:

MARK O.VERGARA
Corporate Secretary

Attested:

George L. Go
Chairman of the Meeting