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SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No. 0000039745
Company Name CROWN EQUITIES INC.
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 108142015001073
Document Type 17-Q (FORM 11-Q: QUARTERLY REPORT/FS)
Document Code 17-Q
Period Covered June 30, 2015
No. of Days Late 0
Department CFD
Remarks

COVER SHEET

0 0 0 0 0 3 9 7 4 5

S.E.C. Registration Number

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

(Company's Full Name)

C R O W N C E N T E R 1 5 8 J U P I T E R C O R

N . G A R C I A S T B E L A I R M A K A T I

C I T Y

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

Elmer B. Serrano
Contact Person

(02) 687-1195
Company Telephone Number

1 2
Month

3 1
Day

Fiscal Year

17-Q
FORM TYPE

**Every Fourth
Tuesday of May**
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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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: June 30, 2015
2. Commission Identification Number: 38745 3. BIR Tax Identification No.: 002-837-461
4. Exact name of issuer as specified in its charter: CROWN EQUITIES, INC.
5. Province, country or other jurisdiction of in Company or organization: Philippines
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office: Crown Center, 158 Jupiter Corner N. Garcia Street, Bel-Air, Makati City Postal Code: 1209
8. Issuer's telephone number, including area code: (632) 899-0455
9. Former name, former address and former fiscal year, if changed since last report: N/A
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

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

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

Yes No

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

Philippine Stock Exchange / Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the 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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Please see Annex A

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

Discussions of Financial Condition and Changes in Financial Condition

	Jun 30, 2015 (Unaudited)	Mar 31, 2015 (Unaudited)	Dec 31, 2014 (Audited)	Increase (Decrease)	% Change
Current Assets					
Cash and cash equivalents	₱213.29	₱205.48	₱202.61	₱10.68	5.3%
Financial assets at fair value thru profit & loss	28.13	28.51	22.44	5.69	25.3%
Installment contracts receivable – short-term	25.26	20.19	17.86	7.40	41.4%
Receivables	47.15	43.73	31.68	15.47	48.8%
Inventories	195.03	197.70	206.63	(11.60)	-5.6%
Available-for-sale financial asset	47.34	47.34	47.34	-	-
Other current assets	48.90	46.11	55.42	(6.52)	-11.8%
Total Current Assets	605.10	589.06	583.98	21.12	3.6%
Noncurrent Assets					
Installment contracts receivable – long-term	52.01	52.01	50.63	1.38	2.7%
Loan Receivable	50.00	50.00	50.00	-	-
Investments and advances to related parties-net	234.44	234.44	234.44	-	-
Investment properties - net	691.26	286.21	285.22	(12.26)	-1.7%
Property and equipment - net	284.20	691.44	703.52	(1.02)	-0.4%
Goodwill	21.74	21.74	21.74	-	-
Other non-current assets	12.88	10.51	10.43	2.45	23.5%
Total Noncurrent Assets	1,346.53	1,346.35	1,355.98	-9.45	-0.7%
TOTAL ASSETS	₱1,951.63	₱1,935.41	₱1,939.96	₱11.66	0.6%
Current Liabilities					
Accounts payable and other liabilities	₱138.02	122.91	₱142.95	(₱4.93)	-3.5%
Due to related parties	22.21	25.81	25.81	(3.60)	-13.9%
Subscriptions payable	42.16	42.16	42.16	-	-
Total Current Liabilities	202.39	190.88	210.92	(8.53)	-4.1%
Noncurrent Liabilities					
Retirement benefit obligation	11.97	11.65	11.58	0.39	3.4%
TOTAL LIABILITIES	214.36	202.53	222.50	(8.14)	-3.7%
Equity					
Shareholders' equity	1,580.30	1,577.92	1,565.46	14.84	1.0%
Minority interest	156.97	154.96	152.00	4.97	3.3%
Total Equity	1,737.27	1,732.88	1,717.46	19.81	1.2%
TOTAL LIABILITIES & EQUITY	₱1,951.63	₱1,935.41	₱1,939.96	₱11.66	0.6%

Amounts in million pesos, except percentages.

Total Assets

Total assets posted an increase of ₱11.66 million or 0.6% as of June 30, 2015 primarily attributable to the growth in current assets by ₱21.12 million or 3.6%. The increase in current assets was mainly driven by the increased cash levels, investments in the local equities market and receivables. In contrast, noncurrent assets dropped by ₱9.45 million or 0.7% due to the sale of the portion of Batangas property and depreciation expense recognized during the period.

Current Assets

Total current assets increased to ₱605.10 million as of June 30, 2015, ₱21.12 million or 3.6% higher than the ₱583.98 million as of December 31, 2014. Cash improved by ₱10.68 million or 5.3% primarily due to the proceeds from the sale of a portion of the Batangas property and to the continuous collections of installment contract receivables, rentals and interest on loans. Financial assets through profit or loss also increased by ₱5.69 million or 25.3% resulting from the additional investment in the foreign stock exchange. Current portion of the installment contract receivable increased by ₱15.47 million or 41.4% due to the recognition of sales from Palma and Cypress units which also resulted in a decrease in inventories by ₱11.60 million or 5.6%. Receivables likewise increased by ₱15.47 million or 48.8% primarily from the increase in the receivables from venture partners. Other current assets, on the other hand, declined by ₱6.52 million or 11.8% due to the creditable withholding and input taxes utilized during the period.

Noncurrent Assets

Noncurrent assets dropped by ₱9.45 million or 0.7% mainly driven by the cost of the portion of the Batangas property recognized as sold during the period.

Liabilities and Stockholders' Equity

From ₱222.50 million as of December 31, 2014, total liabilities recorded a decrease of ₱8.14 million or 3.7% to ₱214.36 million as of June 30, 2015. This was attributable by the increase in accounts payable and other liabilities by ₱4.93 million or 3.5% and in due to related parties by ₱3.60 million or 13.9%.

Total equity recorded a ₱19.81 million or 1.2% increase reflecting the net income during the six-month period.

Discussions on Results of Operation

Account	June 30 YTD 2015 (Unaudited)	June 30 YTD 2014 (Unaudited)
Real estate sales	85.44	21.03
Sales of medical goods & services	24.41	29.57
Rent Income	3.02	3.12
Interest on Loans	2.88	3.12
Investment income	0.17	0.20
Interest income on installment contracts	9.12	4.87
Total Revenue	125.04	61.91
Cost of sales & services	47.77	15.36
Gross Profit	77.27	46.55
Employee compensation and benefits	22.86	26.59
Professional fees	1.44	1.30
Commission	3.17	1.35
Depreciation and amortization	7.81	7.50
Taxes and licenses	2.73	2.83
Other operating expenses	14.73	10.05
Total Operating Expenses	52.74	49.62
Operating Income (Loss)	24.53	(3.07)
Other income	1.85	4.40
Income Before Income Tax	26.38	1.33
Income tax	6.57	2.07
Net Income (Loss)	19.81	(0.74)
Net Income (Loss) Attributable To:		
Parent Company shareholders	14.84	(1.43)
Minority interest	4.97	0.68

Amounts in million pesos.

Net income significantly improved to P19.81 million in the first half of 2015 from a net loss of P0.74 million in the same period of 2015.

Total revenues for the first half of 2015 posted an increase of P63.13 million or 102.0% despite the decrease in sale of medical goods and services by P5.16 million or 17.5%. The increase in revenue was primarily due to the increase in recognized real estate sales in Palma Real and the sale of a portion of the Batangas property. As a result of the increase in recognized real estate sales, cost of sales and services also decreased by P32.41 million or 211.0% while total operating expenses decreased by P3.12 million or 6.3%.

Lastly, other income declined by ₱2.55 million or 58.0% resulting mainly from changes in the fair value of marketable securities while income tax expense increased by ₱4.50 million or 68.4%.

Key Performance Indicators

Indicator	As of			Formula
	June 2015	Mar 2015	Dec 2014	
Current Ratio	2.99x	3.09x	2.77x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	1.05x	1.08x	0.96x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.12x	0.12x	0.13x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.11x	0.10x	0.11x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.12x	1.12x	1.13x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.47x	0.48x	0.48x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
	YTD			
	June 2015	Mar 2015	Dec 2014	
Interest Coverage Ratio	nil	nil	nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	12.87%	20.20%	0.62%	$\frac{\text{Net Income after Minority Interest}}{\text{Net Revenues}}$
Return on Assets	0.763%	0.795%	0.010%	$\frac{\text{Net Income after Minority Interest}}{\text{Average Total Assets}}$
Earnings Per Share	0.00116	0.00092	(0.00004)	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$

The Company measures its performance based on the utilization of assets and the return on its investments. However, as of June 30, 2015, most of its investments are in ventures that are still at pre-operating stages.

Liquidity

As of June 30, 2015, current ratio increased to 2.99x compared to 2.77x as of December 31, 2013 due to the increase in cash and cash equivalents, financial assets at fair value through profit and loss and receivables. The increase in cash level also contributed to the improvement of cash ratio to 1.05x as of June 30, 2015 from 0.96x as of December 31, 2014. The increase in cash levels was mainly attributable to the proceeds from the sale of a portion of Batangas property and the continuous collections on short-term installment contract receivables, rentals and the interest on loans. Consequently, liquidity position remains positive.

Solvency / Leverage

The Company remains to have a low leverage stance considering its debt-equity ratio of 0.11x as of June 30, 2015 and December 31, 2014. Asset – equity ratio declined to 1.12x as of June 30, 2015 from 1.13x as of December 31, 2015 due to the income generated during the first half of 2015. The company has a nil interest coverage ratio as it has not incurred any interest expense for the period.

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 "Financial Assets at Fair Value through Profit and Loss" in its Statement of Financial Position. But this exposure is insignificant being less than five percent (5%) of the Company's total asset base. Moreover, these investments in the local 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 weekly basis.

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

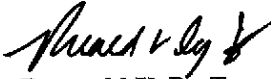
As of this report, the Company has no material commitment for capital expenditure. Management is not aware of any trends, events or uncertainties that have or will have material impact on net sales or revenues or income from continuing operations neither of its operating subsidiaries nor of any seasonal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

SIGNATURES

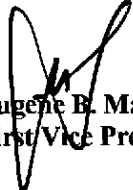
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **CROWN EQUITIES, INC.**

Name
Signature and Title


Romuald U. Dy Tang
President

Principal Finance Officer
Signature and Title


Eugene B. Macalalag
First Vice President

Date **August 14, 2015**

ANNEX "A"

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

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱213,293,644	₱202,611,044
Financial assets at fair value through profit or loss	28,125,581	22,438,641
Available-for-sale financial asset	47,344,659	47,344,659
Installment contracts receivable – net	25,262,996	17,864,864
Receivables – net	47,144,252	31,678,490
Inventories	195,026,409	206,632,002
Other current assets	48,897,022	55,416,354
Total Current Assets	605,094,563	583,986,054
Noncurrent Assets		
Installment contracts receivable - net of current portion	52,012,376	50,630,188
Investment properties – net	691,261,223	703,523,468
Loans receivable	50,000,000	50,000,000
Investments in and advances to associates – net	234,438,556	234,438,556
Property and equipment – net	284,201,559	285,221,798
Goodwill	21,740,604	21,740,604
Deferred tax assets - net	2,303,644	2,303,644
Other noncurrent assets	10,579,426	8,127,607
Total Noncurrent Assets	1,346,537,388	1,355,985,865
	₱1,951,631,951	₱1,939,971,919
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	₱138,012,641	₱142,954,188
Due to related parties	22,212,887	25,812,887
Subscriptions payable	42,158,700	42,158,700
Total Current Liabilities	202,384,228	210,925,775
Noncurrent Liability		
Retirement liability	11,971,501	11,577,711
Total Liabilities	214,355,729	222,503,486
Equity		
Attributable to equity holders of the parent company	1,580,304,255	1,565,464,151
Non-controlling interests	156,971,967	152,004,282
Total Equity	1,737,276,222	1,717,468,433
	₱1,951,631,951	₱1,939,971,919

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

	2 nd Quarter Ended June 30		Year to Date Ended June 30	
	2015 (Unaudited)	2014 (Unaudited)	2015 (Unaudited)	2014 (Unaudited)
REVENUES				
Real estate sales	₱27,811,389	₱9,687,986	₱85,436,541	₱21,028,386
Sale of goods and services	12,941,491	15,505,095	24,408,717	29,573,052
Interest on installment contract receivable	1,697,196	2,307,031	9,124,048	4,869,539
Interest on loans	1,490,778	1,549,839	2,881,056	3,117,155
Investment income	85,000	203,333	170,000	203,333
Rent income	4,433,074	1,221,101	3,017,521	3,121,760
	48,458,928	30,474,385	125,037,883	61,913,225
COST AND EXPENSES				
Cost of real estate sales	13,607,401	4,742,640	44,059,892	10,604,219
Cost of medical goods and services	1,914,654	2,378,199	3,713,197	4,760,722
Salaries and employee benefits	11,323,595	13,368,064	22,860,223	26,589,133
Commission	1,803,445	611,989	3,167,390	1,345,886
Depreciation	4,056,239	3,704,767	7,813,347	7,502,283
Others	11,782,334	7,311,031	18,896,166	14,178,665
	44,487,668	32,116,690	100,510,215	64,980,908
OTHER INCOME - Net	1,283,342	1,824,505	1,851,973	4,396,006
INCOME BEFORE INCOME TAX	5,254,602	182,200	26,379,641	1,328,323
INCOME TAX EXPENSE	772,067	978,878	6,571,852	2,072,794
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	₱4,482,535	(₱796,678)	₱19,807,789	(₱744,471)
Attributable to:				
Equity holders of the parent company	₱2,260,110	(₱827,470)	₱14,840,104	(₱1,428,656)
Non-controlling interests	2,222,425	30,792	4,967,685	684,185
	₱4,482,535	(₱796,678)	₱19,807,789	(₱744,471)
BASIC/DILUTED INCOME (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	₱0.00017	(₱0.00006)	₱0.00116	(₱0.00011)

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

	2 nd Quarter Ended June 30		Year to Date Ended June 30	
	2015 (Unaudited)	2014 (Unaudited)	2015 (Unaudited)	2014 (Unaudited)
CAPITAL STOCK				
Balance –beginning and ending	₱1,345,110,906	₱1,330,146,816	₱1,345,110,906	₱1,330,146,816
ADDITIONAL PAID-IN CAPITAL				
Balance –beginning and ending	₱118,570,274	₱118,570,274	₱118,570,274	₱118,570,274
RETAINED EARNINGS				
Balance – beginning	₱113,168,819	₱88,355,962	₱100,588,825	₱88,957,148
Net income (loss) for the period	2,260,110	(827,470)	14,840,104	(1,428,656)
Balance – ending	₱115,428,929	₱87,528,492	₱115,428,929	₱87,528,492
ACTUARIAL GAINS				
Balance – beginning	₱1,194,146	₱343,015	₱1,194,146	₱343,015
Actuarial gains during the period	-	-	-	-
Balance – ending	₱1,194,146	₱343,015	₱1,194,146	₱343,015
MINORITY INTEREST				
Balance – beginning	₱154,749,542	₱144,034,851	₱152,004,282	₱143,381,458
Net income for the period	2,222,425	30,792	4,967,685	684,185
Balance – ending	₱156,971,967	₱144,065,643	₱156,971,967	₱144,065,643
TOTAL EQUITY	₱1,737,276,222	₱1,680,654,240	₱1,737,276,222	₱1,680,654,240

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

	2 nd Quarter Ended June 30		Year to Date Ended June 30	
	2015 (Unaudited)	2014 (Unaudited)	2015 (Unaudited)	2014 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	₱5,254,602	₱182,200	₱26,379,641	₱1,328,323
Adjustments for:				
Depreciation and amortization	4,056,239	3,704,767	7,813,347	7,502,283
Retirement expense	322,671	368,539	393,790	368,539
Unrealized foreign exchange loss (gain)	655,130	(31,561)	272,283	(31,561)
Dividend income	(156,050)	(208,633)	(204,684)	(208,633)
Interest income	(6,606,975)	(4,087,366)	(13,413,433)	(8,414,571)
Unrealized loss (gain) in the change in value of financial assets at FVPL	397,463	(299,986)	1,274,668	(1,834,900)
Loss (gain) on cancelled contracts	(81,707)	-	3,051	-
Operating income (loss) before changes in working capital	3,841,373	(517,375)	22,518,663	(1,290,520)
Decrease (increase) in:				
Installment contracts receivable	(5,071,059)	448,116	(9,100,326)	2,519,398
Receivables	(3,410,778)	1,567,777	(15,465,762)	212,790
Inventories	2,670,634	959,780	11,879,076	1,082,899
Other current assets	(477,924)	(1,175,029)	5,085,922	(582,687)
Increase (decrease) in accounts payable and accrued expenses	15,096,777	17,745,574	(4,898,074)	24,340,855
Cash generated from operations	12,649,023	19,355,938	10,019,499	26,282,735
Interest received – net of final taxes	6,472,052	4,087,366	13,134,387	8,414,571
Benefits paid				
Income taxes paid	(2,951,006)	(796,678)	(4,859,396)	(2,072,794)
Net cash provided by operating activities	₱16,170,069	₱22,464,866	₱18,294,490	₱32,624,512
<i>Forward</i>				

	2 nd Quarter Ended June 30		Year to Date Ended June 30	
	2015 (Unaudited)	2014 (Unaudited)	2015 (Unaudited)	2014 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net additions (deductions) to:				
Property and equipment	(₱1,864,703)	(₱1,029,219)	(₱6,219,759)	(₱1,476,637)
Investment properties	-	-	11,688,895	(691,981)
Decrease (increase) in:				
Financial assets at fair value through profit or loss	(10,608)	(363,489)	(6,961,608)	(1,043,888)
Available-for-sale financial assets		-		-
Other noncurrent assets	(2,379,141)	1,616,667	(2,451,819)	(955,237)
Dividends received	156,050	208,633	204,684	208,633
Net cash provided (used) in investing activities	(4,098,402)	432,592	(3,739,607)	(3,959,110)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in due to related parties	(3,600,000)	(5,000,000)	(3,600,000)	(5,000,000)
EFFECT OF FOREIGN CURRENCY RATE CHANGES ON CASH AND CASH EQUIVALENTS				
	(655,130)	31,561	(272,283)	31,561
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,816,537	17,929,019	10,682,600	23,696,963
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	205,477,107	93,966,382	202,611,044	88,198,438
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱213,293,644	₱111,895,401	₱213,293,644	₱111,895,401

CROWN EQUITIES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting Entity

Crown Equities, Inc. ("CEI" or the "Parent Company") is an investment holding company incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 24, 1969. The Parent Company's registered office address is located at the Crown Center, 158 Jupiter corner N. Garcia Streets, Makati City.

The consolidated financial statements comprise the financial statements of the Parent Company and its Subsidiaries (collectively referred to as the "Group"). The Parent Company's shares of stock are listed and traded at the Philippine Stock Exchange (PSE).

The Group operates within the Philippines and is mainly involved in real estate business, healthcare services and investment holding. As of June 30, 2015 and 2014, the Parent Company has ownership interests in the following subsidiaries and associates, all incorporated in the Philippines:

	Effective Percentage of Ownership	
	2015	2014
Subsidiaries		
<i>Real Estate</i>		
Ceres Property Venture, Inc. (CPVT) ^(a)	-	100%
Crown Central Properties, Corp. (CCPC) ^(b, c)	48%	48%
CEI Development Corp. (CEIDC)	-	100%
CEI Properties, Inc. (CEIPI) ^(d)	-	100%
Parkfield Land Holdings, Inc. (PLHI) ^(d)	75%	75%
<i>Healthcare</i>		
Fort Bonifacio Medical Center, Inc. (FBMCI) ^(d)	-	100%
Healthcare Systems of Asia Phils., Inc. (HSAPI)	97%	74%
Fortmed Medical Clinics Makati, Inc. (FMCMI) ^(b)	97%	74%
<i>Investment Holding</i>		
Ceres Holdings, Inc. (CHI)	-	100%
Joint Venture		
Sky Leisure Properties, Inc. (SLPI)	50%	50%

(a) Shared ownership by CEI, FBMCI, CEIPI and CHI of 60.83%, 29.15%, 10% and 0.02%, respectively.

(b) This represents indirect ownership.

(c) Management has determined that the Company has control over the financial and operating policies of CCPC through representation on the Board of Directors (Note 2).

(d) This company has not yet started commercial operations.

2. Basis of Preparation

Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations issued by the Financial Reporting Standards Council (FRSC).

Basis of Measurement

The consolidated financial statements of the Group have been prepared on the historical cost basis except for financial assets at fair value through profit or loss (FVPL).

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine peso, which is also the Parent Company's functional currency. All financial information presented is rounded to the nearest peso, except when otherwise indicated.

Basis of Consolidation

The Group obtains and exercises control through voting rights. The Group's consolidated financial statements comprise the accounts of the Parent Company, and its subsidiaries as enumerated in Note 1, after the elimination of intercompany balances and transactions with subsidiaries, including income, expenses and dividends. Unrealized profits and losses from intercompany transactions are also eliminated in full.

The consolidated financial statements are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent Company.

Non-controlling interests consist of the interests not held by the Group in PLHI, HSAPI and CCPC as of June 30, 2014 and 2013.

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 six-month period ended June 30, 2015 and 2014 and certain assets and liability information regarding industry segments as at June 30, 2015 and 2014 (in thousands).

	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
Year to Date June 30, 2015					
REVENUES	103,667	24,825	-	(3,454)	125,038
RESULTS					
Segment results	30,554	(4,308)	(4,297)	4,297	26,246
Interest Income					1,408
Change in fair value of financial assets at FVPL					(1,275)
Income Tax Expense					(6,572)
Net Income					19,808
ASSETS AND LIABILITIES					
Segment Assets	2,214,315	37,471	91,557	(413,452)	1,929,891
Intangible Assets	-	-	21,740	-	21,740
Total Assets	2,214,315	37,471	113,297	(413,452)	1,951,631
Segment Liabilities	204,931	153,360	312	(185,584)	173,019
OTHER SEGMENT INFORMATION					
Depreciation	4,675	3,139	-	-	7,813
Capital Expenditure in property and equipment	5,788	432	-	-	6,220
Capital Expenditure in Investment Property	8,560	-	-	-	8,560
Investments and advances in associates – net	611,186	-	13,426	(390,173)	234,439
	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
Year to Date June 30, 2014					
REVENUES	39,443	29,681	-	(7,211)	61,913
RESULTS					
Segment results	(3,323)	(2,806)	(2,943)	6,834	(2,238)
Interest Income					428
Change in fair value of financial assets at FVPL					3,138
Income Tax Expense					(2,073)
Net Income					(744)
ASSETS AND LIABILITIES					
Segment Assets	2,936,114	211,236	108,489	(1,370,766)	1,885,073
Intangible Assets	-	-	21,740	-	21,740
Total Assets	2,936,114	211,236	130,229	(1,370,766)	1,906,813
Segment Liabilities	204,931	153,360	312	(185,584)	173,019
OTHER SEGMENT INFORMATION					
Depreciation	4,791	2,712	-	-	7,502
Capital Expenditure in Investment Property	692	-	-	-	692
Investments and advances in associates – net	1,344,385	145,751	53,328	(1,309,026)	234,439

Amounts in Php thousands

5. 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 June 30, 2015	As of June 30, 2014
Net income (loss) attributable to parent stockholders	₱15,823,116	(₱1,428,656)
Divided by weighted Average number of Outstanding common shares	13,599,999,960	13,599,999,960
Income (loss) per share	<u>₱0.00116</u>	<u>(₱0.00011)</u>

CROWN EQUITIES, INC. AND SUBSIDIARIES

Aging of Financial Assets

As of June 30, 2015

Type of Accounts	Total	1 mo.	2-3 mos.	4-6 mos.	7 mos. - 1 year	1-2 years	2-5 years	5 yrs. & above	Past due accounts & items in litigation
Financial Assets									
a. Cash and cash equivalents									
1.) Cash in bank	73,520,144	73,520,144							
1.) Short-term placements	139,750,000	139,750,000							
	213,270,144	213,270,144							
b. Trade Receivable									
1.) Installment contract receivable	77,275,372	2,651,163	3,785,544	9,674,810	9,151,480	7,412,029	16,765,578	27,834,769	-
2.) Receivable from sale of medical goods and services	22,637,885	4,542,903							18,094,982
Less: Allowance for doubtful account	10,025,222								10,025,222
Net Trade Receivable	89,888,036	7,194,066	3,785,544	9,674,810	9,151,480	7,412,029	16,765,578	27,834,769	8,069,760
c. Non-Trade Receivable									
1.) Due from project developers	21,162,351				21,162,351				
2.) Receivable from buyers	7,277,225				7,277,225				
3.) Rent receivables	3,919,648				3,919,648				
4.) Interest receivables	-				-				
5.) Loan receivable	50,000,000		1,666,667	2,500,000	5,000,000	10,000,000	30,000,000	833,333	
6.) Others	2,702,385				2,172,364				530,020
Sub-total	85,061,609	-	1,666,667	2,500,000	39,531,588	10,000,000	30,000,000	833,333	530,020
Less: Allowance for doubtful account	530,020								530,020
Net Non-trade Receivable	84,531,588	-	1,666,667	2,500,000	39,531,588	10,000,000	30,000,000	833,333	-
Total	387,689,768	220,464,210	5,452,210	12,174,810	48,683,068	17,412,029	46,765,578	28,668,102	8,069,760

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

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2015		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary			✓	
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2015		Adopted	Not Adopted	Not Applicable
	Date and Transition			
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 10, PFRS 11, and PFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	✓		
	Amendments to PFRS 10, PFRS 12, and PAS 27 (2011): Investment Entities	✓		
PFRS 13	Fair Value Measurement	✓		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		

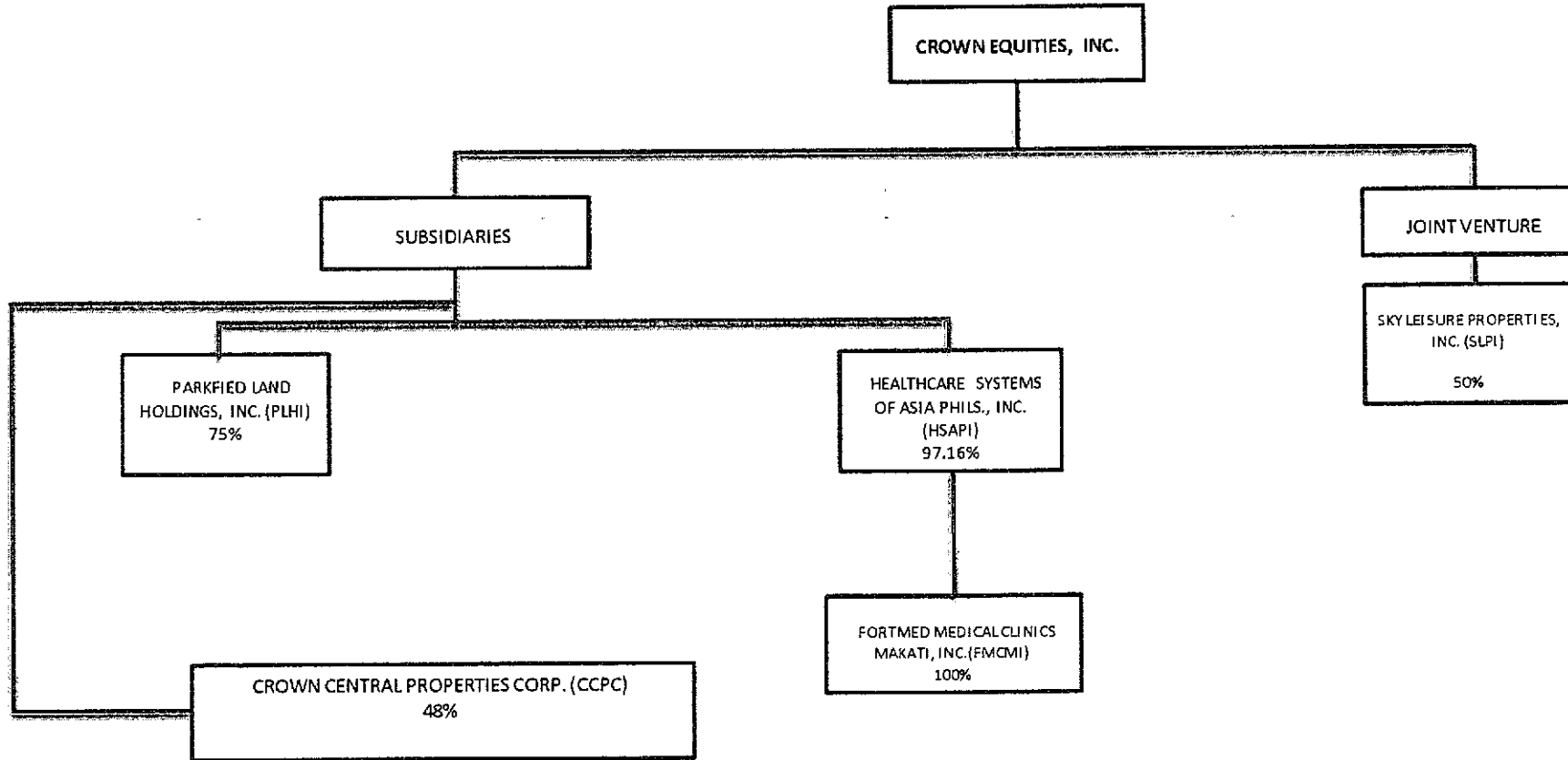
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2015		Adopted	Not Adopted	Not Applicable
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures	✓		
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets		✓	
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2015		Adopted	Not Adopted	Not Applicable
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions	✓		
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 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures	✓		
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets		✓	
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2015		Adopted	Not Adopted	Not Applicable
	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 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
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-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓
Philippine Interpretations Committee Questions and Answers				
PIC Q&A 2006-01	PAS 18, Appendix, paragraph 9 – Revenue recognition for sales of property units under pre-completion contracts			✓
PIC Q&A 2006-02	PAS 27.10(d) – Clarification of criteria for exemption from presenting consolidated financial statements			✓
PIC Q&A 2007-01- Revised	PAS 1.103(a) – Basis of preparation of financial statements if an entity has not applied PFRSs in full			✓
PIC Q&A 2007-03	PAS 40.27 – Valuation of bank real and other properties acquired (ROPA)			✓
PIC Q&A 2007-04	PAS 101.7 – Application of criteria for a qualifying NPAE			✓
PIC Q&A 2008-01- Revised	PAS 19.78 – Rate used in discounting post-employment benefit obligations	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2015		Adopted	Not Adopted	Not Applicable
PIC Q&A 2008-02	PAS 20.43 – Accounting for government loans with low interest rates under the amendments to PAS 20			✓
PIC Q&A 2009-01	Framework.23 and PAS 1.23 – Financial statements prepared on a basis other than going concern			✓
PIC Q&A 2009-02	PAS 39.AG71-72 – Rate used in determining the fair value of government securities in the Philippines			✓
PIC Q&A 2010-01	PAS 39.AG71-72 – Rate used in determining the fair value of government securities in the Philippines			✓
PIC Q&A 2010-02	PAS 1R.16 – Basis of preparation of financial statements	✓		
PIC Q&A 2010-03	PAS 1 Presentation of Financial Statements – Current/non-current classification of a callable term loan			✓
PIC Q&A 2011-01	PAS 1.10(f) – Requirements for a Third Statement of Financial Position			✓
PIC Q&A 2011-02	PFRS 3.2 – Common Control Business Combinations			✓
PIC Q&A 2011-03	Accounting for Inter-company Loans			✓
PIC Q&A 2011-04	PAS 32.37-38 – Costs of Public Offering of Shares			✓
PIC Q&A 2011-05	PFRS 1.D1-D8 – Fair Value or Revaluation as Deemed Cost			✓
PIC Q&A 2011-06	PFRS 3, Business Combinations (2008), and PAS 40, Investment Property – Acquisition of Investment properties – asset acquisition or business combination?			✓
PIC Q&A 2012-01	PFRS 3.2 – Application of the Pooling of Interests Method for Business Combinations of Entities Under Common Control in Consolidated Financial Statements			✓
PIC Q&A 2012-02	Cost of a New Building Constructed on the Site of a Previous Building			✓
PIC Q&A 2013-01	Applicability of SMEIG Final Q&As on the Application of IFRS for SMEs to Philippine SMEs			✓
PIC Q&A 2013-03	PAS 19 – Accounting for Employee Benefits under a Defined Contribution Plan subject to Requirements of Republic Act (RA) 7641, The Philippine Retirement Law			✓

Crown Equities, Inc. and Subsidiaries
Map of Conglomerate
June 30, 2015



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

*((Figures based on functional
currency of unaudited financial
statements as of and for the period
ended June 30, 2015))*

Unappropriated Retained Earnings, beginning		₱53,287,024
Parent Company's net income during the period	₱14,392,313	
Less: Non-actual/unrealized income net of tax		
Fair value adjustments (M2M losses)	1,274,668	15,666,981
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND		₱68,954,005

Crown Equities, Inc.
Financial Soundness Indicator
June 30, 2015

Indicator	As of			Formula
	June 2015	Mar 2015	Dec 2014	
Current Ratio	2.99x	3.09x	2.77x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	1.05x	1.08x	0.96x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.12x	0.12x	0.13x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.11x	0.10x	0.11x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.12x	1.12x	1.13x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.47x	0.48x	0.48x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
	YTD			
	June 2015	Mar 2015	Dec 2014	
Interest Coverage Ratio	nil	nil	nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	12.87%	20.20%	0.62%	$\frac{\text{Net Income after Minority Interest}}{\text{Net Revenues}}$
Return on Assets	0.763%	0.795%	0.010%	$\frac{\text{Net Income after Minority Interest}}{\text{Average Total Assets}}$
Earnings Per Share	0.00116	0.00092	(0.00004)	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$