

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)

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

SEC 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

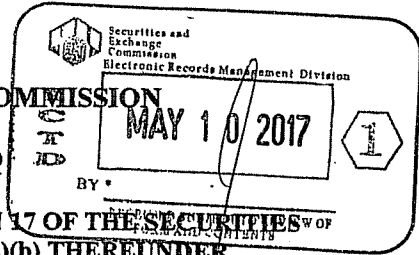
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES ACT OF 1933 AND SRC RULE 17(2)(b) THEREUNDER



- 1. For the quarterly period ended: March 31, 2017
- 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) 899-04-55
- 9. Former name, former address and former fiscal year, if changed since last report: N/A
- 10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

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

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

A - 1 9 9 6 - 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 .   A N D   S U B S I  
 D I A R I E S

(Group'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  
 e r   N .   G a r c i a   S t r e e t s ,   M a k a t i C  
 i t y

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

Atty. Elmer B. Serrano

Contact Person

899-0081

Group Telephone Number

1 2

Month

3 1

Day

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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Document I.D.

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## 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

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

	Mar. 31, 2017 Unaudited	Dec. 31, 2016 Audited	Increase (Decrease)	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	274.52	267.84	6.68	2.49%
Financial assets at fair value through profit or loss	44.66	42.02	2.64	6.28%
Installment contract receivables - current portion	19.60	14.43	5.17	35.82%
Trade and other receivables - net	76.38	75.47	0.91	1.21%
Loan receivable - current portion	-	-	-	0.00%
Inventories	184.10	178.53	5.57	3.12%
Other current assets	59.89	57.99	1.90	3.28%
<b>Total Current Assets</b>	<b>659.16</b>	<b>636.29</b>	<b>22.87</b>	<b>3.59%</b>
<b>Noncurrent Assets</b>				
Available-for-sale financial asset	47.34	47.34	(0.00)	0.00%
Installment contracts receivable - net of current portion	40.27	51.01	(10.74)	-21.05%
Loan receivable - net of current portion	10.00	10.00	-	0.00%
Property and equipment - net	269.05	270.53	(1.48)	-0.55%
Investment properties - net	696.20	696.67	(0.47)	-0.07%
Investment in and advances to a joint venture - net	234.44	234.44	-	0.00%
Deferred tax assets - net	0.95	0.95	0.00	0.00%
Goodwill	21.74	21.74	-	0.00%
Other noncurrent assets	4.19	4.76	(0.57)	-11.96%
<b>Total Noncurrent Assets</b>	<b>1,324.18</b>	<b>1,337.44</b>	<b>(13.26)</b>	<b>-0.99%</b>
	<b>1,983.34</b>	<b>1,973.73</b>	<b>9.61</b>	<b>0.49%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable and other liabilities	162.03	154.49	7.55	4.88%
Due to related parties	15.21	15.21	0.00	0.00%
Income tax payable	2.86	1.72	1.14	66.01%
Subscriptions payable	42.16	42.16	-	0.00%
<b>Total Current Liabilities</b>	<b>222.27</b>	<b>213.58</b>	<b>8.68</b>	<b>4.07%</b>
<b>Noncurrent Liability</b>				
Retirement liability	13.85	13.36	0.49	3.68%
<b>Total Liabilities</b>	<b>236.11</b>	<b>226.94</b>	<b>9.17</b>	<b>4.04%</b>
<b>Equity</b>				
<b>Total Equity Attributable to Equity Holders of the Parent Company</b>	<b>1,587.29</b>	<b>1,586.44</b>	<b>0.85</b>	<b>0.05%</b>
Non-controlling interests	159.94	160.36	(0.42)	-0.26%
<b>Total Equity</b>	<b>1,747.23</b>	<b>1,746.79</b>	<b>0.44</b>	<b>0.02%</b>
	<b>1,983.34</b>	<b>1,973.73</b>	<b>9.61</b>	<b>0.49%</b>

Amounts in million pesos, except percentages.

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### Total Assets

Total assets posted an increase of ₱9.6 million or 0.49% as of March 31, 2017 primarily caused by an increase in current asset of ₱22.9 million or 3.59%. The increase in current asset was mainly driven by installment contract receivables from recognized sales and addition to inventories.

### Current Assets

As of March 31, 2017, total current assets increased to ₱659.2 million from ₱636.3 million as of December 31, 2016. Cash and cash equivalents slightly increased by 2.49% or ₱6.7 million due to continuing collection from customers. The financial assets increased by ₱2.6 million or 6.3% due to increases in market value and additional investments. Installment contracts receivable increased by ₱5.2 million as sales were added and receivables were reclassified to current portion. Inventories increased by 3.1% or ₱5.6 million due to addition of house unit inventories in Palma Real. Further, other current assets went up by ₱1.9 million as of March 31, 2017 due to the recognition of tax assets.

### Noncurrent Assets

Total noncurrent assets dropped by 0.99% or ₱13.3 million. Installment contract receivable decreased to ₱40.3 million as of March 31, 2017 from ₱51.0 million as of December 31, 2016 due to reclassification to current portion. The property and equipment as well as investment properties decreased by ₱1.5 million and ₱0.5 million, respectively, due to depreciation of these assets. Other non-current asset also decreased by 12.0% or ₱0.57 million due mainly to reduction in refundable deposits.

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### Liabilities and Stockholders' Equity

The total liabilities for the period increased by ₱9.2 million or 4.0%; from ₱226.94 million as of yearend 2016 to ₱236.11 million as of March 31, 2017. This was attributable to the increase in accounts payable & accrued expenses amounting to ₱7.5 million. This movement in liabilities was due to increases in customers deposit and obligations to contractors of house units.

Lastly, total equity recorded a ₱0.4 million or 0.02% increase due to the positive bottom line figure posted for the three-month period ending March 31, 2017.

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**Discussions on Results of Operation**

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

	Mar. 31, 2017 (Unaudited)	Mar. 31, 2016 (Unaudited)	Increase (Decrease)	% Change
<b>REVENUES</b>				
Real estate sales	P 5,749,020	P 14,338,086	P (8,589,066)	-59.90%
Sale of goods and services	13,533,532	12,210,615	1,322,917	10.83%
Interest on installment contract receivable	2,620,301	2,411,294	209,008	8.67%
Interest on loans	200,000	1,580,366	(1,380,366)	-87.34%
Rent income	2,625,107	2,527,888	97,219	3.85%
Dividend income	95,823	64,164	31,660	49.34%
	<b>24,823,783</b>	<b>33,132,412</b>	<b>(8,308,629)</b>	<b>-25.08%</b>
<b>COST AND EXPENSES</b>				
Cost of real estate sales	2,700,951	6,962,386	(4,261,435)	-61.21%
Cost of medical goods and services	2,149,161	2,087,984	61,178	2.93%
Salaries and employee benefits	13,746,675	12,116,373	1,630,302	13.46%
Depreciation and amortization	3,389,791	3,584,580	(194,789)	-5.43%
Commission	368,617	990,203	(621,586)	-62.77%
Other operating expenses	8,521,543	8,421,226	100,316	1.19%
	<b>30,876,738</b>	<b>34,162,751</b>	<b>(3,286,014)</b>	<b>-9.62%</b>
<b>OTHER INCOME (CHARGES) - Net</b>	<b>7,891,044</b>	<b>(1,788,792)</b>	<b>9,679,836</b>	<b>-541.14%</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,838,089</b>	<b>(2,819,132)</b>	<b>4,657,221</b>	<b>-165.20%</b>
<b>INCOME TAX EXPENSE - Net</b>	<b>1,401,383</b>	<b>1,212,198</b>	<b>189,185</b>	<b>15.61%</b>
<b>NET INCOME/(LOSS)</b>	<b>P 436,706</b>	<b>P (4,031,329)</b>	<b>P 4,468,036</b>	<b>-110.83%</b>

The first quarter of 2017 recognized a net income of ₱0.04 million compared to a net loss of ₱4.0 million for the same quarter in 2016.

Total revenues realized for the period amounted to ₱24.8 million, 25.1% or ₱8.3 million lower than the revenue from the same period last year. The decrease in revenue was due primarily to a lower number of realized real estate sale. On the other hand, revenue from medical goods and services and interest on installment contracts receivable increased by ₱1.3 million or 10.8% and ₱0.21 million or 8.7%, respectively.

Cost of real estate sales significantly decreased as of March 31, 2017 by 61.2% as a consequence to the lower realized real estate sales. Likewise, commission decreased to ₱0.37 million from ₱0.99 million last year. On the other hand, the cost of medical goods and services increased by 2.9% to ₱2.1 million compared to the same period last year. Manpower cost also increased against the first quarter last year due to addition of manpower complement primarily in the healthcare business.

Other income improved this quarter by ₱9.7 million registering a positive ₱7.9 million from a negative ₱1.8 million in the first quarter last year resulting to a ₱1.8 million income before tax compared to a net loss before tax of ₱2.8 million last year.

### Key Performance Indicators

Indicator	As of		Formula
	Mar. 2017	Dec. 2016	
Current Ratio	2.97x	2.98x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	1.24x	1.25x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.14x	0.13x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.12x	0.11x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.14x	1.13x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.47x	0.47x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
	YTD		
	Mar. 2017	Dec. 2016	
Interest Coverage Ratio	Nil	Nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	1.76%	8.82%	$\frac{\text{Net Income after Minority Interest}}{\text{Net Revenues}}$
Return on Assets	0.02%	0.65%	$\frac{\text{Net Income after Minority Interest}}{\text{Average Total Assets}}$
Earnings Per Share	0.000063	0.00076	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$

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

#### Liquidity

As of March 31, 2017, current ratio decreased to 2.97x compared to 2.98x as of December 31, 2016 due to a significant increase in current liabilities particularly accounts payable and accrued expenses. Cash ratio during the period dropped to 1.24x from 1.25x as of March 31, 2017 and December 31, 2016, respectively. The decrease in cash balance as well as the increase in accounts payable and accrued expenses causes the decrease in cash ratio. Liquidity position remains positive during the period.

#### Solvency / Leverage

Leverage stance remained low as of March 31, 2017 having debt-equity at 0.14x, debt-asset ratio at 0.12x and asset-equity ratio at 1.14x due to the Corporation's efficient management of its liabilities. The company has a nil interest coverage ratio as it has not incurred any interest expense for the period.

Investment Ratio

Continued competence of the Corporation's investments made investment ratio of .47x unchanged as of March 31, 2017 and December 31, 2016.

Profitability

Net income margin significantly increased to 1.76% for the first quarter of 2017. The Company has recognized a net income for the period.

Return on Assets

The return on assets as of March 31, 2017 increased to 0.02% due to recognized income for the quarter.

Earnings per Share

As a result of the decrease in the Company's profitability for the first quarter of 2017, income per share is .000063x compared to .00076 as of December 31, 2016. The Company's number of outstanding shares has been fixed for the past five years.



## PART II - OTHER INFORMATION

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

The Company and its subsidiaries have 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.

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**SIGNATURES**

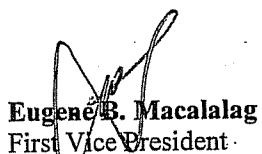
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CROWN EQUITIES, INC.**

By:



**Romuald U. Dy Tang**  
President



**Eugene B. Macalalag**  
First Vice President

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Date: April 25, 2017

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ANNEX A

**CROWN EQUITIES, INC. AND SUBSIDIARIES**

**UNAUDITED FINANCIAL STATEMENTS**  
**MARCH 31, 2017**

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

	Mar. 31, 2017 (Unaudited)	Dec. 31, 2016 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	274,523,343	267,841,454
Financial assets at fair value through profit or loss	44,658,386	42,020,983
Installment contract receivables - current portion	19,600,295	14,431,330
Trade and other receivables - net	76,384,481	75,470,389
Loan receivable - current portion	-	-
Inventories	184,098,791	178,530,936
Other current assets	59,893,916	57,992,268
<b>Total Current Assets</b>	<b>659,159,212</b>	<b>636,287,360</b>
<b>Noncurrent Assets</b>		
Available-for-sale financial asset	47,344,659	47,344,659
Installment contracts receivable - net of current portion	40,273,116	51,014,766
Loan receivable - net of current portion	10,000,000	10,000,000
Property and equipment - net	269,050,170	270,527,029
Investment properties - net	696,201,442	696,674,363
Investment in and advances to a joint venture - net	234,438,556	234,438,556
Deferred tax assets - net	945,776	945,776
Goodwill	21,740,604	21,740,604
Other noncurrent assets	4,189,303	4,758,659
<b>Total Noncurrent Assets</b>	<b>1,324,183,626</b>	<b>1,337,444,412</b>
	<b>1,983,342,838</b>	<b>1,973,731,772</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other liabilities	162,034,377	154,489,372
Due to related parties	15,212,887	15,212,887
Income tax payable	2,860,411	1,723,056
Subscriptions payable	42,158,700	42,158,700
<b>Total Current Liabilities</b>	<b>222,266,375</b>	<b>213,584,015</b>
<b>Noncurrent Liability</b>		
Retirement liability	13,847,359	13,355,359
<b>Total Liabilities</b>	<b>236,113,734</b>	<b>226,939,374</b>
<b>Equity</b>		
Total Equity Attributable to Equity Holders of the Parent Company	1,587,287,128	1,586,435,215
Non-controlling interests	159,941,976	160,357,183
<b>Total Equity</b>	<b>1,747,229,104</b>	<b>1,746,792,398</b>
	<b>1,983,342,838</b>	<b>1,973,731,772</b>

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

	As of and For the Quarter Ended	
	March 31	
	2017	2016
<b>REVENUES</b>		
Real estate sales	P 5,749,020	P 14,338,086
Sale of goods and services	13,533,532	12,210,615
Interest on installment contract receivable	2,620,301	2,411,294
Interest on loans	200,000	1,580,366
Rent income	2,625,107	2,527,888
Dividend income	95,823	64,164
	<b>24,823,783</b>	<b>33,132,412</b>
<b>COST AND EXPENSES</b>		
Cost of real estate sales	2,700,951	6,962,386
Cost of medical goods and services	2,149,161	2,087,984
Salaries and employee benefits	13,746,675	12,116,373
Depreciation and amortization	3,389,791	3,584,580
Commission	368,617	990,203
Other operating expenses	8,521,543	8,421,226
	<b>30,876,738</b>	<b>34,162,751</b>
<b>OTHER INCOME (CHARGES) - Net</b>	<b>7,891,044</b>	<b>(1,788,792)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,838,089</b>	<b>(2,819,132)</b>
<b>INCOME TAX EXPENSE - Net</b>	<b>1,401,383</b>	<b>1,212,198</b>
<b>NET INCOME/(LOSS)</b>	<b>P 436,706</b>	<b>P (4,031,329)</b>

**CROWN EQUITIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE QUARTERS ENDED MARCH 31, 2017 AND 2016**

	Capital Stock	Equity Attributable to Equity Holders of the Parent Company					Total Equity
		Additional Paid-in Capital	Retained Earnings	Actuarial Gains	Total	Non-controlling Interests	
As of January 1, 2017	₱1,348,035,906	₱118,570,274	₱117,313,184	₱2,515,851	₱1,586,435,215	₱160,357,183	₱1,746,792,398
Total comprehensive income for period	-	-	851,913	-	851,913	(415,207)	436,706
As of March 31, 2017	₱1,348,035,906	₱118,570,274	₱118,165,097	₱2,515,851	₱1,587,287,128	₱159,941,976	₱1,747,229,104
As of January 1, 2016	₱1,348,035,906	₱118,570,274	₱106,933,349	₱1,636,864	₱1,575,176,393	₱157,961,322	₱1,733,137,715
Total comprehensive income for period	-	-	(4,994,112)	-	(4,994,112)	962,782	(4,031,329)
As of March 31, 2016	₱1,348,035,906	₱118,570,274	₱101,939,237	₱1,636,864	₱1,570,182,281	₱158,924,104	₱1,729,106,386

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

For the Quarters Ended March 31

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	₱1,838,090	₱(2,819,132)
Adjustments for:		
Depreciation and amortization	3,389,791	3,584,580
Retirement expense	492,000	492,000
Interest income	(4,158,346)	(4,786,888)
Unrealized foreign exchange gain (loss)	(295,271)	1,744,622
Gain(Loss) from cancelled and forfeited customers' deposit	(3,612,986)	626,343
Dividend income	(95,823)	(64,164)
Unrealized gain (loss) in the change in value of financial assets at FVPL	(1,225,347)	(899,553)
Operating loss before working capital changes	(3,667,892)	(2,122,192)
Decrease (increase) in:		
Financial assets at fair value through profit or loss	(1,412,056)	(6,416,660)
Installment contracts receivable	5,572,685	1,094,038
Receivables	(914,092)	(4,453,160)
Inventories	(5,567,855)	224,816
Other current assets	(1,901,648)	(2,463,260)
Increase (decrease) in accounts payable and accrued expenses	11,157,990	8,705,042
Cash generated from (used in) operations	3,267,132	(5,431,376)
Interest received - net of tax	4,158,346	4,786,888
Dividend received	95,823	64,164
Income taxes paid	(264,028)	(516,670)
Net cash provided by (used in) operating activities	7,257,273	(1,096,994)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment and investment properties	(1,440,011)	(1,306,396)
Increase (Decrease) in:		
Other noncurrent assets	569,356	(323,799)
Net cash provided by (used in) investing activities	(870,655)	(1,630,195)
Effect of foreign currency exchanges on cash and cash equivalents	295,271	(1,744,622)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6,681,889</b>	<b>(4,471,811)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>267,841,454</b>	<b>204,010,289</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>₱274,523,343</b>	<b>₱199,538,478</b>

**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 March 31, 2017 and 2016, the Parent Company has ownership interests in the following subsidiaries and associates, all incorporated in the Philippines:

	Effective Percentage of Ownership	
	2017	2016
<b>Subsidiaries</b>		
<i>Real Estate</i>		
Crown Central Properties, Corp. (CCPC) <sup>(a)</sup>	48%	48%
Parkfield Land Holdings, Inc. (PLHI) <sup>(b)</sup>	75%	75%
<i>Healthcare</i>		
Healthcare Systems of Asia Phils., Inc. (HSAPI)	97%	97%
Fortmed Medical Clinics Makati, Inc. (FMCMI) <sup>(c)</sup>	97%	97%
<b>Joint Venture</b>		
Sky Leisure Properties, Inc. (SLPI)	50%	50%

~~(a) Management has determined that the Company has control over the financial and operating policies of CCPC through representation of the Board of Directors.~~

~~(b) This company has not yet started commercial operations.~~

~~(c) This represents direct and indirect ownership in 2017 and 2016, respectively.~~

**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).



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**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 March 31, 2017 and 2016.

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**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.

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**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, 2017 and 2016 and certain assets and liability information regarding industry segments as at March 31, 2017 and 2016 (in thousands).

	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
Year to Date March 31, 2017					
<b>REVENUES</b>	12,023	13,534	267	(1,000)	24,824
<b>RESULTS</b>					
Segment results	1,482	(2,160)	(48)	-	(725)
Other income	2,510	53	-	-	2,563
Income Tax Expense	(1,274)	(127)	-	-	(1,401)
Minority Interest					(415)
Net Income	2,718	(2,234)	(47)	-	(437)
<b>ASSETS AND LIABILITIES</b>					
Segment Assets	2,201,768	38,070	99,550	(377,785)	1,961,603
Intangible Assets	-	-	21,740	-	21,740
Total Assets	2,201,768	38,070	121,290	(377,785)	1,983,343
Segment Liabilities	225,996	17,463	79,382	(86,728)	236,114
<b>OTHER SEGMENT INFORMATION</b>					
Depreciation	2,019	1,076	295	-	3,390
Capital Expenditure in property and equipment	806	603	-	-	1,409
Capital Expenditure in Investment Property	-	-	-	-	-
Investments and advances in associates – net	587,657	-	23,378	(376,597)	234,439

*Amounts in Php thousands.*

	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
Year to Date March 31, 2016					
<b>REVENUES</b>	22,394	12,211	150	(1,686)	33,068
<b>RESULTS</b>					
Segment results	1,066	(2,160)	-	-	(1,095)
Other income					1,695
Income Tax Expense					(1,064)
Minority Interest					(963)
Net Income					(4,994)
<b>ASSETS AND LIABILITIES</b>					
Segment Assets	2,182,132	35,123	77,638	(373,055)	1,921,838
Intangible Assets	-	-	21,740	-	21,740
Total Assets	2,182,132	35,123	99,379	(373,055)	1,943,578
Segment Liabilities	220,062	18,694	78,962	(103,246)	214,472
<b>OTHER SEGMENT INFORMATION</b>					
Depreciation	2,172	1,413	-	-	3,585
Capital Expenditure in property and equipment	-	-	-	-	-
Capital Expenditure in Investment Property	-	-	-	-	-
Investments and advances in associates – net	603,503	-	22,292	(391,267)	234,528

*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, 2017	As of Mar. 31, 2016
Net income (loss) attributable to parent stockholders	<b>₱851,913</b>	<b>(₱4,994,112)</b>
Divided by weighted Average number of		
Outstanding common shares	<u>13,599,999,960</u>	<u>13,599,999,960</u>
Income (loss) per share	<u><b>₱0.000063</b></u>	<u><b>(₱0.000367)</b></u>

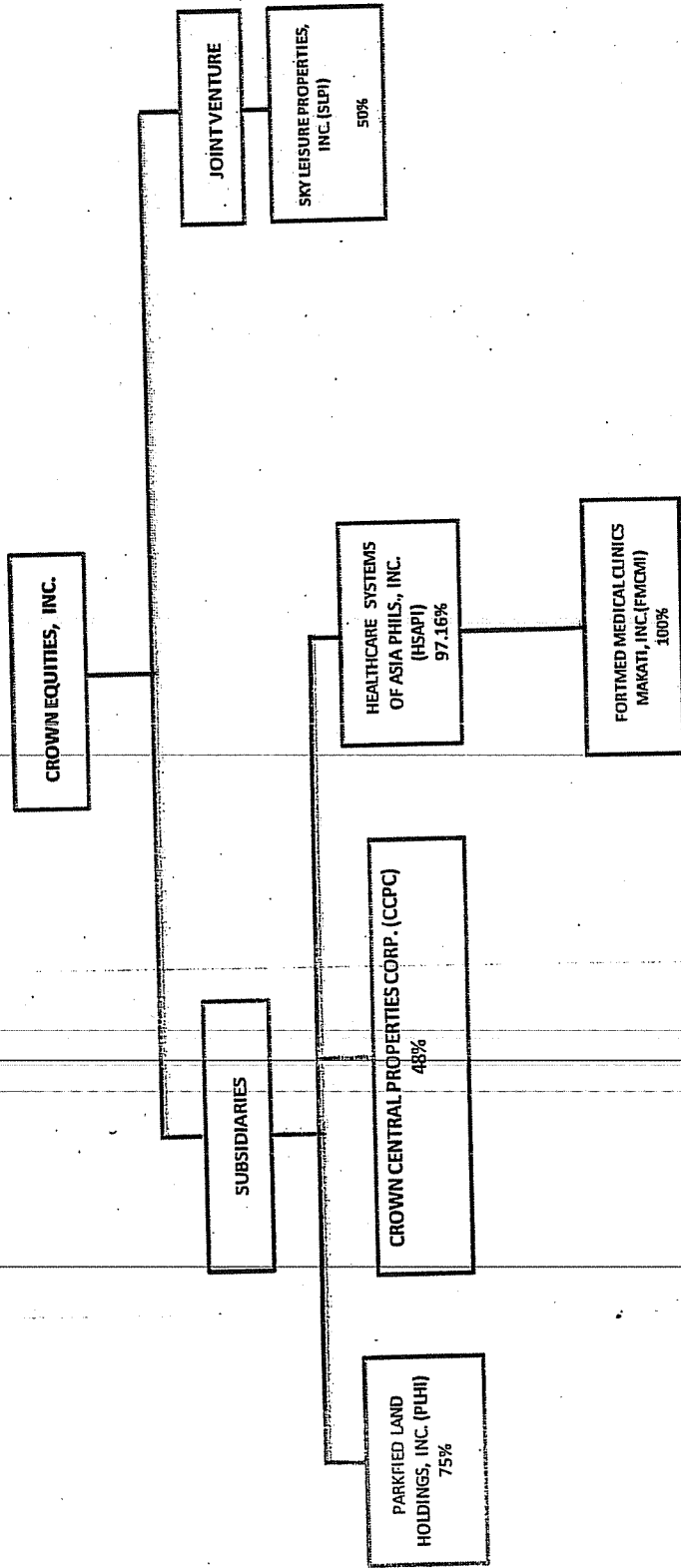
**CROWN EQUITIES, INC. AND SUBSIDIARIES**

Aging of Financial Assets

As of March 31, 2017

Types of Accounts	Total	1 month	2 to 6 months	7 mos. To 1 year	1 to 3 years	3 to 5 years	5 years & above
<b>Financial Assets</b>							
a. Cash and cash equivalents							
1. Cash in bank	50,764,279	50,764,279	-	-	-	-	-
2. Short-term placements	223,701,067	223,701,067	-	-	-	-	-
	<b>274,465,345</b>	<b>274,465,345</b>	-	-	-	-	-
b. Trade receivable							
1. Installment contract receivable	59,873,412	9,297,378	5,276,160	5,026,754	17,282,262	16,437,360	6,553,496
2. Receivable from sale of medical goods and services	14,096,311	3,420,694	1,521,998	770,636	718,766	445,451	7,218,765
Less: Allowance for doubtful account	(6,066,711)	-	-	-	-	-	(6,066,711)
Net trade receivable	<b>67,903,011</b>	<b>12,718,072</b>	<b>6,798,159</b>	<b>5,797,390</b>	<b>18,001,028</b>	<b>16,882,811</b>	<b>7,705,549</b>
c. Non-trade receivable							
1. Due from project developers	58,846,222	-	-	58,846,222	-	-	-
2. Receivable from buyers	2,561,585	-	-	2,561,585	-	-	-
3. Rent receivables	1,530,018	-	-	1,530,018	-	-	-
4. Interest receivables	311,834	-	-	311,834	-	-	-
6. Others	5,105,222	-	-	5,105,222	-	-	-
Sub-total	68,354,882	-	-	68,354,882	-	-	-
Less: Allowance for doubtful account	-	-	-	-	-	-	-
Net Non-trade receivable	<b>68,354,882</b>	-	-	<b>68,354,882</b>	-	-	-

CROWN EQUITIES, INC. AND SUBSIDIARIES  
MAP OF CONGLOMERATE  
AS OF MARCH 31, 2016



**CROWN EQUITIES, INC. AND SUBSIDIARIES**

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2017		Adopted	No/ Adopted	No/ Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary			✓	
<b>Philippine Financial Reporting Standards</b>				
<b>PFRS 1 (Revised)</b>	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Annual Improvements to PFRSs 2009 – 2011 Cycle: First-time Adoption of Philippine Financial Reporting Standards – Repeated Application of PFRS 1			✓
	Annual Improvements to PFRSs 2009 – 2011 Cycle: Borrowing Cost Exemption			✓
	Annual Improvements to PFRSs 2011 – 2013 Cycle: PFRS version that a first-time adopter can apply	✓		
	<del>Annual Improvements to PFRSs 2014 – 2016 Cycle: Deletion of short-term exemptions for first-time adopters</del>			
<b>PFRS 2</b>	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Annual Improvements to PFRSs 2010 – 2012 Cycle: Meaning of 'vesting condition'			✓
	<del>Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions</del>			
<b>PFRS 3 (Revised)</b>	Business Combinations	✓		
	Annual Improvements to PFRSs 2010 – 2012 Cycle: Classification and measurement of contingent consideration			✓
	Annual Improvements to PFRSs 2011 – 2013 Cycle: Scope exclusion for the formation of joint arrangements			✓
<b>PFRS 4</b>	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	<del>Amendments to PFRS 4: Applying PFRS 9: Financial Instruments with PFRS 4: Insurance Contracts</del>			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Annual Improvements to PFRSs 2012 – 2014 Cycle: Changes in method for disposal			✓
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 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	✓		
	Annual Improvements to PFRSs 2012 – 2014 Cycle: 'Continuing involvement' for servicing contracts			✓
	Annual Improvements to PFRSs 2012 – 2014 Cycle: Offsetting disclosures in condensed interim financial statements			✓
PFRS 8	Operating Segments	✓		
	Annual Improvements to PFRSs 2010 – 2012 Cycle: Disclosures on the aggregation of operating segments	✓		
PFRS 9	<del>Financial Instruments</del>			
	<del>Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39</del>			✓
PFRS 9 (2014)	<del>Financial Instruments</del>		✓	
PFRS 10	Consolidated Financial Statements	✓		
	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	✓		
	<del>Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</del>	✓		
PFRS 11	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities: Applying the Consolidation Exception			✓
	Joint Arrangements	✓		
	Amendments to PFRS 10, PFRS 11, and PFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	No Adopted	No Applicable
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
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	✓		
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities: Applying the Consolidation Exception		✓	
	<del>Annual Improvements to PFRSs 2014 – 2016 Cycle: Clarification of the scope of the standard</del>			
PFRS 13	Fair Value Measurement	✓		
	Annual Improvements to PFRSs 2010 – 2012 Cycle: Measurement of short-term receivables and payables	✓		
	Annual Improvements to PFRSs 2011 – 2013 Cycle: Scope of portfolio exception	✓		
PFRS 14	Regulatory Deferral Accounts	✓		
PFRS 15	<del>Revenue from Contracts with Customers</del>	✓		
PFRS 16	<del>Leases</del>	✓		
<b>Philippine Accounting Standards</b>				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Putable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Annual Improvements to PFRSs 2009 – 2011 Cycle: Presentation of Financial Statements – Comparative Information beyond Minimum Requirements			✓
	Annual Improvements to PFRSs 2009 – 2011 Cycle: Presentation of the Opening Statement of Financial Position and Related Notes			✓
	Amendments to PAS 1: Disclosure Initiative		✓	
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
	<del>Amendments to PAS 7: Disclosure Initiative</del>	✓		
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	✓		



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	No Adopted	No Applicable
	Amendment to PAS 12: Deferred Tax: Recovery of Underlying Assets	✓		
	<del>Amendments to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses</del>	✓		
PAS 16	Property, Plant and Equipment	✓		
	Annual Improvements to PFRSs 2009 – 2011 Cycle: Property, Plant and Equipment – Classification of Servicing Equipment	✓		
	Annual Improvements to PFRSs 2010 – 2012 Cycle: Restatement of accumulated depreciation (amortization) on revaluation (Amendments to PAS 16 and PAS 38)	✓		
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization		✓	
	Amendments to PAS 16 and PAS 41: Agriculture: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			✓
	Annual Improvements to PFRSs 2012 – 2014 Cycle: Discount rate in a regional market sharing the same currency – e.g. the Eurozone			✓
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	✓		
	Annual Improvements to PFRSs 2010 – 2012 Cycle: Definition of 'related party'	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PFRS 10, PFRS 12, and PAS 27 (2011): Investment Entities			
	Amendments to PAS 27: Equity Method in Separate Financial Statements		✓	
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	<del>Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</del>			✓
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities: Applying the Consolidation Exception			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
			✓	
	Annual Improvements to PFRSs 2014 – 2016 Cycle: Measuring an associate or joint venture at fair value	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
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	✓		
	Annual Improvements to PFRSs 2009 – 2011 Cycle: Financial Instruments Presentation – Income Tax Consequences of Distributions			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
	Annual Improvements to PFRSs 2009 – 2011 Cycle: Interim Financial Reporting – Segment Assets and Liabilities			✓
	Annual Improvements to PFRSs 2012 – 2014 Cycle: Disclosure of information "elsewhere in the interim financial report"			✓
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	✓		
	Annual Improvements to PFRSs 2010 – 2012 Cycle: Restatement of accumulated depreciation (amortization) on revaluation (Amendments to PAS 16 and PAS 38)	✓		
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization		✓	
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013		Adopted	Not Adopted	Not Applicable
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property	✓		
	Annual Improvements to PFRSs 2011 – 2013 Cycle: Inter-relationship of PFRS-3 and PAS 40 (Amendment to PAS 40)	✓		
	<del>Amendments to PAS 40: Transfers of Investment Property</del>			
PAS 41	Agriculture			✓
	Amendments to PAS 16 and PAS 41: Agriculture: Bearer Plants			✓
<b>Philippine Interpretations</b>				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	<i>Determining Whether an Arrangement Contains a Lease</i>	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	<i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>			✓
IFRIC 7	<i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i>			✓
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	✓		
IFRIC 10	<i>Interim Financial Reporting and Impairment</i>			✓
IFRIC 12	<i>Service Concession Arrangements</i>			✓
IFRIC 13	<i>Customer Loyalty Programmes</i>			✓
IFRIC 14	<i>PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>			✓
	<i>Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement</i>			✓
IFRIC 16	<i>Hedges of a Net Investment in a Foreign Operation</i>			✓
IFRIC 17	<i>Distributions of Non-cash Assets to Owners</i>			✓
IFRIC 18	<i>Transfers of Assets from Customers</i>			✓
IFRIC 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>			✓
IFRIC 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>			✓
IFRIC 21	<i>Levies</i>			✓
IFRIC 22	<del>Foreign Currency Transactions and Advance Consideration</del>	✓		
SIC-7	<i>Introduction of the Euro</i>			✓
SIC-10	<i>Government Assistance - No Specific Relation to Operating Activities</i>			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
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			✓
<b>Philippine Interpretations Committee Questions and Answers</b>				
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 2007-02	PAS 20.24.37 and PAS 39.43 - Accounting for government loans with low interest rates [see PIC Q&A No. 2008-02]			✓
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			✓
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			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
				✓
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 2013-02	Conforming Changes to PIC Q&As - Cycle 2013			✓
PIC Q&A 2013-03 (Revised)	PAS 19 – Accounting for Employee Benefits under a Defined Contribution Plan subject to Requirements of Republic Act (RA) 7641, The Philippine Retirement Law			✓
PIC Q&A 2015-01	Conforming Changes to PIC Q&As - Cycle 2015			✓
PIC Q&A 2016-01	Conforming Changes to PIC Q&As - Cycle 2016			✓
PIC Q&A 2016-02	PAS 32 and PAS 38 - Accounting Treatment of Club Shares Held by an Entity			✓
PIC Q&A 2016-04	Application of PFRS 15 - Revenue from Contracts with Customers - on Sale of Residential Properties under Pre-Completion Contracts	✓		

**Legend:**

**Adopted** – means a particular standard or interpretation is relevant to the operations of the entity (even if it has no effect or no material effect on the financial statements), for which there may be a related particular accounting policy made in the financial statements and/or there are current transactions the amounts or balances of which are disclosed on the face or in the notes of the financial statements.

**Not Adopted** – means a particular standard or interpretation is effective but the entity did not adopt it due to either of these two reasons: 1) The entity has deviated or departed from the requirements of such standard or interpretation; or 2) The standard provides for an option to early adopt it but the entity decided otherwise.

**Not Applicable** – means the standard or interpretation is not relevant at all to the operations of the entity.

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

*((Figures based on functional  
currency of unaudited financial  
statements as of and for the period  
ended March 31, 2017))*

<b>Unappropriated Retained Earnings, beginning</b>	<b>₱57,587,477</b>
<b>Net income</b>	<b>851,913</b>
<b>Non-actual/unrealized loss (gain) net of tax</b>	
Fair value adjustments (M2M gains)	-
<b>TOTAL RETAINED EARNINGS AVAILABLE FOR</b>	
<b>DIVIDEND, ENDING</b>	<b>₱58,439,390</b>

Crown Equities, Inc.  
Schedule M - Key Performance Indicators  
March 31, 2017

Indicator	As of		Formula
	Mar-17	Dec-16	
Current Ratio	2.97	2.98	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	1.24	1.25	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.14	0.13	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.12	0.11	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.14	1.13	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Interest Coverage Ratio	Nil	Nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	0.0176	0.0882	$\frac{\text{Net Income}}{\text{Net Revenue}}$
Investment Ratio	0.47	0.47	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
Return on Assets	0.0002	0.0065	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Earnings Per Share	0.000063	0.00076	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$