



108142018004031



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osen
Receiving Branch : SEC Head Office
Receipt Date and Time : August 14, 2018 04:34:49 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

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

Document Information

Document ID 108142018004031
Document Type 17-Q (FORM 11-Q: QUARTERLY REPORT/FS)
Document Code 17-Q
Period Covered June 30, 2018
No. of Days Late 0
Department CFD
Remarks

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, 2018**
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>
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

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
3 1

Month
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

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Please see Annex A

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

Discussions of Financial Condition and Changes in Financial Condition

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

	June 30, 2018 (Unaudited)	Dec. 31, 2017 (Audited)	Increase (Decrease)	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	606.23	264.39	341.85	129.30%
Financial assets at fair value through profit or loss	92.63	67.36	25.28	37.53%
Installment contract receivables - current portion	13.03	13.90	(0.87)	-6.24%
Trade and other receivables - net	66.92	57.61	9.30	16.15%
Loan receivable - current portion	10.00	10.00	-	0.00%
Inventories	169.37	172.65	(3.28)	-1.90%
Assets held for sale	0.00	361.28	(361.28)	-100.00%
Other current assets	32.90	29.22	3.68	12.60%
Total Current Assets	991.09	976.41	14.68	1.50%
Noncurrent Assets				
Available-for-sale financial asset	47.34	47.34	(0.00)	0.00%
Installment contracts receivable - net of current portion	67.24	58.64	8.60	14.67%
Property and equipment - net	267.58	271.54	(3.96)	-1.46%
Investment properties - net	796.05	698.17	97.88	14.02%
Goodwill	21.74	21.74	-	0.00%
Other noncurrent assets	38.33	38.92	(0.60)	-1.53%
Total Noncurrent Assets	1,238.28	1,136.35	101.93	8.97%
	2,229.37	2,112.76	116.61	5.52%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and other liabilities	177.12	177.55	(0.42)	-0.24%
Due to related parties	11.68	16.88	(5.19)	-30.77%
Income tax payable	3.31	2.04	1.27	61.98%
Liabilities directly associated with assets held for sale	-	42.16	(42.16)	-100.00%
Total Current Liabilities	192.11	238.62	(46.51)	-19.49%
Noncurrent Liability				
Retirement liability	14.12	13.14	0.98	7.49%
Total Liabilities	206.23	251.76	(45.53)	-18.08%
Equity				
Capital stock	1,351.79	1,348.04	3.75	0.28%
Additional paid-in capital	118.57	118.57	-	0.00%
Retained earnings	419.78	243.10	176.69	72.68%
Total Equity Attributable to Equity Holders of the Parent Company	1,890.14	1,709.70	180.44	10.55%
Non-controlling interests	133.00	151.30	(18.30)	-12.10%
Total Equity	2,023.14	1,861.00	162.14	8.71%
	2,229.37	2,112.76	116.61	5.52%

Total Assets

Total assets posted an increase of ₱116.61 million or 5.52% as of June 30, 2018 primarily attributable to the growth in noncurrent assets by ₱101.93 million or 8.97%. Current assets also increased by ₱14.68 million or 1.50%.

Current Assets

Total current assets increased to ₱991.09 million as of June 30, 2018, ₱14.68 million or 1.50% higher than the ₱976.41 million as of December 31, 2017. Cash increased by ₱341.85 million or 129.30% primarily coming from the proceed for the sale of investment in Sky Leisure Properties as reduced by the cost of the acquisition of investment property in Taguig City. The financial assets at fair value through profit or loss increased by ₱25.28 million or 37.53% resulting from the additional investment in the equities market. Collections were made also from customers reducing installment contract receivable- current. The increase in recognized sales resulted in a decrease in inventories by ₱3.28 million or 1.90%. Other current assets, also increased by ₱3.68 million or 12.60% due to the creditable withholding tax during the period.

Noncurrent Assets

Noncurrent assets increased by ₱101.93 million or 8.97%. Installment contract receivable increased to ₱67.24 million as of June 30, 2018 from ₱58.64 million as of December 31, 2017 due to recognized sales for the period. The increase in noncurrent assets amounting to ₱97.88 million was mainly driven by the net effect of the acquisition of real properties in Taguig City and the impairment of investment properties in Batangas and Bulacan. Other non-current asset also decreased by 1.53% or ₱0.60 million due mainly to reduction in refundable deposits.

Liabilities and Stockholders' Equity

The total liabilities for the period decreased by ₱45.53 million or 18.08% from ₱251.76 million as of yearend 2017 to ₱206.23 million as of June 30, 2018. This was attributable to the settlement of liabilities directly associated with assets held for sale.

Meanwhile, stockholders' equity increased by ₱162.14 million or 8.71% due to the positive bottom line figure posted for the six-month period ending June 30, 2018.

Discussions on Results of Operation

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

	Year to Date Ended June 30			
	2018 (Unaudited)	2017 (Unaudited)	Increase (Decrease)	% Change
REVENUES				
Real estate sales	50,738,049	26,160,527	24,577,522	93.95%
Sale of goods and services	33,907,122	28,585,332	5,321,790	18.62%
Interest on installment contract receivable	10,469,780	6,332,795	4,136,985	65.33%
Interest on loans	500,000	500,000	-	0.00%
Rent income	6,385,144	5,355,052	1,030,092	19.24%
Dividend income	1,347,257	736,994	610,262	82.80%
	103,347,352	67,670,701	35,676,651	52.72%
COST AND EXPENSES				
Cost of real estate sales	20,992,178	11,834,756	9,157,422	77.38%
Cost of medical goods and services	11,501,664	9,688,175	1,813,489	18.72%
Salaries and employee benefits	24,166,667	22,170,120	1,996,548	9.01%
Depreciation and amortization	6,962,100	6,604,920	357,179	5.41%
Commission	7,925,063	1,868,483	6,056,579	324.14%
Other operating expenses	94,019,826	18,966,681	75,053,145	395.71%
	165,567,497	71,133,135	94,434,362	132.76%
OTHER INCOME (CHARGES) - Net	226,546,702	13,148,497	213,398,205	1622.99%
INCOME BEFORE INCOME TAX	164,326,557	9,686,063	154,640,493	1596.53%
INCOME TAX EXPENSE - Net	5,941,157	3,108,999	2,832,158	91.10%
NET INCOME/(LOSS)	158,385,399	6,577,064	151,808,335	2308.15%

Total revenue for the first half ending June 30, 2018 amounted to ₱103.35 million. This is a 52.72% or ₱35.68 million higher than the revenue from the same period in 2017. Revenues from real estate sales and real estate related interest income account for 59.23% of the total revenues. Real estate sales amounted to ₱50.74 million which is 93.95% higher than the ₱26.16 million recorded last year. The related interest on installment contracts receivable likewise increased by 65.33% to ₱10.47 million from the previous period's ₱6.33 million. There are more real estate lots and houses recognized sold during the period compared to those recognized for the same period in 2017.

Meanwhile, the sale of goods and services amounted to ₱33.91 million or 32.81% of the total revenues. The healthcare business revenue improved during the first half of 2018 registering 18.62% sales growth compared to revenue in the same period last year.

On the other hand, rent income, which came from the lease of office space in Crown Center and the Fortmed Center in Sta. Rosa, continue to improve. It increased by 19.24% compared to the same period in 2017.

Cost of real estate sales significantly increased as of June 30, 2018 by 77.38% attributable to higher recognized real estate sales. Likewise, commission increased to ₱7.93 million due to outright recognition of commission expense. Also, the cost of medical goods and services has increased by 18.72% or ₱1.81 million compared to the same period last year. Manpower cost also increased against the second quarter last year due to addition of manpower complement primarily in the healthcare business.

Other income(charges) increased by ₱213.40 million primarily accounted to the sale of investment in joint venture net of impairment of investment properties, resulting to an income before tax of ₱164.33 million compared to a net income before tax of ₱9.69 million last year.

Key Performance Indicators

Indicator	As of			Formula
	June 2018	Mar 2018	Dec 2017	
Current Ratio	5.16x	3.12x	4.09x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	3.16x	0.49x	1.11x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.10x	0.14x	0.14x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.09x	0.12x	0.12x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.10x	1.14x	1.14x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.36x	0.44x	0.33x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
	YTD			
	June 2018	Mar 2018	Dec 2017	
Interest Coverage Ratio	Nil	Nil	Nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	153.26%	0.79%	84.94%	$\frac{\text{Net Income after Minority Interest}}{\text{Net Revenues}}$
Return on Assets	7.30%	0.02%	6.30%	$\frac{\text{Net Income after Minority Interest}}{\text{Average Total Assets}}$
Earnings Per Share	0.012992	(0.000163)	0.00889	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$

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

Liquidity

As of June 30, 2018, current ratio is 5.16x and 4.09x as of June 30, 2018 and December 31, 2017 respectively. Cash ratio during the period increased to 3.16x as of June 30, 2018 from 1.11x as of December 31, 2017. The increase in cash balance as well as the decrease in total current liabilities causes the increase in cash ratio. Liquidity position significantly increased during the period.

Solvency / Leverage

Leverage stance remained low as of June 30, 2018 having debt-equity at 0.10x, debt-asset ratio at 0.09x and asset-equity ratio at 1.10x 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 0.36x and 0.33x, as of June 30, 2018 and December 31, 2017 respectively.

Profitability

Net income margin significantly increased to 153.26% for the second quarter of 2018. The Company has recognized huge income primarily due to sale of investment for the period.

Return on Assets

The return on assets as of June 30, 2018 increased to 7.30% due to recognized income for the first half of the year.

Earnings per Share

As a result of the increase in the Company's profitability for the second quarter of 2018, income per share is higher at 0.012992x compared to 0.000889 as of December 31, 2017. 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.

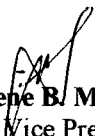
As of this report, the Company has no material commitment for capital expenditure. Management is not aware of any trends, events or uncertainties that have or will have material impact on net sales or revenues or income from continuing operations neither of its operating subsidiaries nor of any seasonal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

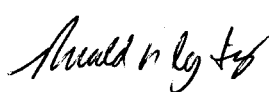
SIGNATURES

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

CROWN EQUITIES, INC.

By:


Eugene B. Macalalag
First Vice President


Romuald U. Dy Tang
President

Date: August 10, 2018

CROWN EQUITIES, INC. AND SUBSIDIARIES

UNAUDITED FINANCIAL STATEMENTS

JUNE 30, 2018

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

	June 30, 2018	Dec. 31, 2017
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents	606,233,094	264,388,005
Financial assets at fair value through profit or loss	92,634,745	67,357,783
Installment contract receivables - current portion	13,029,108	13,895,923
Trade and other receivables - net	66,918,537	57,614,437
Loan receivable - current portion	10,000,000	10,000,000
Inventories	169,372,832	172,652,090
Assets held for sale	-	361,282,867
Other current assets	32,898,749	29,216,395
Total Current Assets	991,087,065	976,407,499
Noncurrent Assets		
Available-for-sale financial asset	47,344,659	47,344,659
Installment contracts receivable - net of current portion	67,236,319	58,636,222
Property and equipment - net	267,581,289	271,540,545
Investment properties - net	796,053,485	698,169,105
Goodwill	21,740,604	21,740,604
Other noncurrent assets	38,327,868	38,923,609
Total Noncurrent Assets	1,238,284,224	1,136,354,744
	2,229,371,289	2,112,762,244
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities	177,124,225	177,548,684
Due to related parties	11,682,693	16,875,000
Income tax payable	3,306,167	2,041,055
Liabilities directly associated with assets held for sale	-	42,158,700
Total Current Liabilities	192,113,085	238,623,439
Noncurrent Liability		
Retirement liability	14,121,307	13,137,307
Total Liabilities	206,234,392	251,760,746
Equity		
Capital stock	1,351,785,906	1,348,035,906
Additional paid-in capital	118,570,274	118,570,274
Retained earnings	419,782,709	243,096,103
Total Equity Attributable to Equity Holders of the Parent Company	1,890,138,889	1,709,702,283
Non-controlling interests	132,998,009	151,299,215
Total Equity	2,023,136,898	1,861,001,497
	2,229,371,289	2,112,762,243

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

	2nd Quarter Ended June 30		Year to Date Ended June 30	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
REVENUES				
Real estate sales	32,729,580	20,411,507	50,738,049	26,160,527
Sale of goods and services	17,488,722	15,051,801	33,907,122	28,585,332
Interest on installment contract receivable	6,741,530	3,712,493	10,469,780	6,332,795
Interest on loans	250,000	250,000	500,000	500,000
Rent income	3,199,822	2,729,945	6,385,144	5,355,052
Dividend income	592,357	641,171	1,347,257	736,994
	61,002,011	42,796,918	103,347,352	67,670,701
COST AND EXPENSES				
Cost of real estate sales	13,765,227	9,118,347	20,992,178	11,834,756
Cost of medical goods and services	5,670,906	4,760,143	11,501,664	9,688,175
Salaries and employee benefits	12,220,416	10,701,029	24,166,667	22,170,120
Depreciation and amortization	3,504,885	3,215,129	6,962,100	6,604,920
Commission	6,458,722	1,499,867	7,925,063	1,868,483
Other operating expenses	85,790,005	10,519,665	94,019,826	18,966,681
	127,410,160	39,814,179	165,567,497	71,133,135
OTHER INCOME (CHARGES) - Net	228,255,692	5,257,453	226,546,702	13,148,497
INCOME BEFORE INCOME TAX	161,847,543	8,240,192	164,326,557	9,686,063
INCOME TAX EXPENSE - Net	3,798,524	1,707,616	5,941,157	3,108,999
NET INCOME/(LOSS)	158,049,018	6,532,576	158,385,399	6,577,064

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTERS ENDED JUNE 30, 2018 AND 2017

	2nd Quarter Ended June 30		Year to Date Ended June 30	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
CAPITAL STOCK				
Balance – beginning and ending	1,351,785,906	1,348,035,906	1,351,785,906	1,348,035,906
ADDITIONAL PAID-IN CAPITAL				
Balance – beginning and ending	118,570,274	118,570,274	118,570,274	118,570,274
RETAINED EARNINGS				
Balance – beginning	236,063,253	118,165,097	238,281,082	117,373,495
Net income for the period	178,904,433	3,716,313	176,686,605	4,568,226
Balance – ending	414,967,686	121,881,410	414,967,686	121,941,721
ACTUARIAL GAINS				
Balance – beginning and ending	4,815,022	2,515,851	4,815,022	2,515,851
Actuarial gains (loss)	-	-	-	-
Balance – ending	4,815,022	2,515,851	4,815,022	2,515,851
MINORITY INTEREST				
Balance – beginning	153,853,427	159,610,068	151,299,215	160,357,183
Net income for the period	(20,855,417)	2,816,263	(18,301,205)	2,008,838
Balance – ending	132,998,010	162,426,332	132,998,010	162,366,021
TOTAL EQUITY	2,023,136,898	1,753,429,772	2,023,136,898	1,753,429,773

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED JUNE 30, 2018 AND 2017

	2nd Quarter Ended June 30		Year to Date Ended June 30	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	161,847,540	7,847,973	164,326,557	9,686,063
Adjustments for:				
Impairment of Investment Properties	136,012,727	-	136,012,727	-
Depreciation and amortization	3,504,885	3,215,129	6,962,100	6,604,920
Retirement expense	492,000	492,000	984,000	984,000
Interest income	(11,014,826)	(5,279,749)	(15,904,327)	(9,438,095)
Unrealized foreign exchange gain (loss)	61,813	19,171	(1,324,597)	(276,100)
Gain (Loss) from cancelled contracts and forfeited customers' deposits	(2,721,012)	8,871,458	2,537,460	5,258,472
Dividend income	(592,357)	(641,171)	(1,347,257)	(736,994)
Unrealized (gain) loss in the change in value of financial assets at FVPL	5,374,540	(3,912,784)	7,204,788	(5,138,131)
Operating income before working capital changes	292,965,310	10,612,027	299,451,451	6,944,135
Decrease (Increase) in:				
Financial assets at fair value through profit or loss	(12,767,673)	(18,714,628)	(32,481,750)	(20,126,684)
Installment contract receivables	(8,919,134)	(11,870,824)	(9,824,805)	(6,298,139)
Receivables	(8,999,375)	13,544,096	(9,304,100)	12,630,004
Inventories	7,182,888	9,857,727	4,924,732	4,289,872
Other current assets	3,530,520	(2,502,268)	(3,682,354)	(4,403,916)
Increase (decrease) in accounts and other payables	(7,196,615)	(3,328,495)	(2,515,870)	7,829,495
Cash generated from (absorbed by) operations	265,795,921	(2,402,365)	246,567,304	864,767
Interest received	11,014,826	5,279,749	15,904,327	9,438,095
Dividend received	592,357	641,171	1,347,257	736,994
Income taxes paid	(4,444,558)	(2,624,870)	(4,676,045)	(2,888,898)
Net cash provided by operating activities	272,958,546	893,685	259,142,843	8,150,958
CASH FLOWS FROM INVESTING ACTIVITIES				
Disposal of assets held for sale	258,832,867		361,282,867	-
Acquisition of property and equipment	(1,270,060)	(4,866,770)	(2,029,111)	(6,306,781)
Acquisition of investment properties	(1,380,239)	(3,128,262)	(234,870,840)	(3,128,262)
Other noncurrent assets	589,501	(274,656)	595,741	294,700
Net cash provided by (used in) investing activities	256,772,069	(8,269,688)	124,978,657	(9,140,343)
CASH FLOWS FROM FINANCING ACTIVITIES				
Collection of subscriptions receivable			3,750,000	-
Decrease in liabilities directly associated with assets held for sale	(42,158,700)		(42,158,700)	
Decrease in due to related parties	-	(10,000,000)	(5,192,307)	(10,000,000)
Net cash provided by (used in) financing activities	(42,158,700)	(10,000,000)	(43,601,007)	(10,000,000)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(61,813)	(19,171)	1,324,597	276,100
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	487,510,102	(17,395,174)	341,845,089	(10,713,285)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	118,722,992	274,523,343	264,388,005	267,841,454
CASH AND CASH EQUIVALENTS AT END OF YEAR	606,233,094	257,128,169	606,233,094	257,128,169

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, 2018 and 2017, the Parent Company has ownership interests in the following subsidiaries and associates, all incorporated in the Philippines:

	Effective Percentage of Ownership	
	2018	2017
Subsidiaries		
<i>Real Estate</i>		
Crown Central Properties, Corp. (CCPC) ^(a)	48%	48%
Parkfield Land Holdings, Inc. (PLHI) ^(b)	75%	75%
<i>Healthcare</i>		
Healthcare Systems of Asia Phils., Inc. (HSAPI)	97%	97%
Fortmed Medical Clinics Makati, Inc. (FMCMI) ^(c)	97%	97%
Joint Venture		
Sky Leisure Properties, Inc. (SLPI)	-	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 2018 and 2017, 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).

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, 2018 and 2017.

3. Commitments and Contingencies

There are commitments, guarantees, litigations and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the accompanying financial statements.

4. Other Information

Business Segment

For management purposes, the Group is organized into three (3) major business segments namely real estate, healthcare services and investment holdings. These are also the basis of the Group in reporting its primary segment information.

- a. Real estate segment involves acquisition of land, planning and developing residential communities such as development and sale of condominium units and parking slots, residential lots and housing units.
- b. Healthcare services involves in delivering out-patient health care service through ambulatory care centers. This includes the sale of medical goods and services.
- c. Investment holdings create project investments and later dispose these investments after creating value.

The following tables present revenue and profit information regarding business segments of the Group for the three-month period ended June 30, 2018 and 2017 and certain assets and liability information regarding industry segments as at June 30, 2018 and 2017 (in thousands).

Year to Date June 30, 2018	Real estate	Healthcare services	Investment Holding	Elimination	Consolidated
REVENUES	74,259.14	33,907.12	550.55	(5,371.43)	103,345.39
RESULTS					
Segment results	167,690.61	(975.13)	(118.68)	-	166,596.80
Interest income	4,852.57	64.92	17.06	-	4,934.55
Change in fair value of financial assets at FVPL	(7,224.79)	-	20.00	-	(7,204.79)
Income tax expense	(5,598.64)	(342.45)	(0.07)	-	(5,941.16)
Net Income	159,719.76	(1,252.66)	(81.70)	-	158,385.40
ASSETS AND LIABILITIES					
Segment assets	2,473,890.36	41,322.82	99,349.57	(406,932.06)	2,207,630.68
Intangible assets	-	-	21,740.60	-	21,740.60
Total Assets	2,473,890.36	41,322.82	121,090.17	(406,932.06)	2,229,371.29
Segment Liabilities	214,857.61	18,349.61	79,271.46	(86,244.29)	226,234.39
OTHER SEGMENT INFORMATION					
Depreciation and amortization	4,327.83	2,044.50	589.76	-	6,962.10
Capital expenditure in property and equipment	1,109.36	919.75	-	-	2,029.11
Capital expenditure in investment property	234,870.84	-	-	-	234,870.84
Investment and advances in a joint venture - net	382,773.79	-	21,329.50	(404,103.29)	0.00

Amounts in Php thousands.

Year to Date June 30, 2017	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
REVENUES	40,475	28,585	0.534	(1,923)	67,671
RESULTS					
Segment results	4,748	(2,712)	(94)	-	1,942
Interest Income					2,605
Change in fair value of financial assets at FVPL					5,138
Income Tax Expense					(3,109)
Net Income	9,569	(2,899)	(94)	-	6,577
ASSETS AND LIABILITIES					
Segment Assets	2,202,258	37,872	99,508	(378,199)	1,983,181
Intangible Assets	-	-	21,740	-	21,740
Total Assets	2,202,258	37,872	121,248	(378,199)	1,983,181
Segment Liabilities	219,379	17,930	79,382	(86,944)	229,751
OTHER SEGMENT INFORMATION					
Depreciation	4,081	1,934	590	-	6,605
Capital Expenditure in property and equipment	5,367	940	-	-	6,307
Capital Expenditure in Investment Property	313	-	-	-	313
Investments and advances in associates - net	587,657	-	23,382	(376,601)	234,439

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 June. 30, 2018	As of June 30, 2017
Net income (loss) attributable to parent stockholders	₱176,686,605	₱3,716,313
Divided by weighted Average number of Outstanding common shares	13,599,999,960	13,599,999,960
Income (loss) per share	₱0.012992	₱0.000273

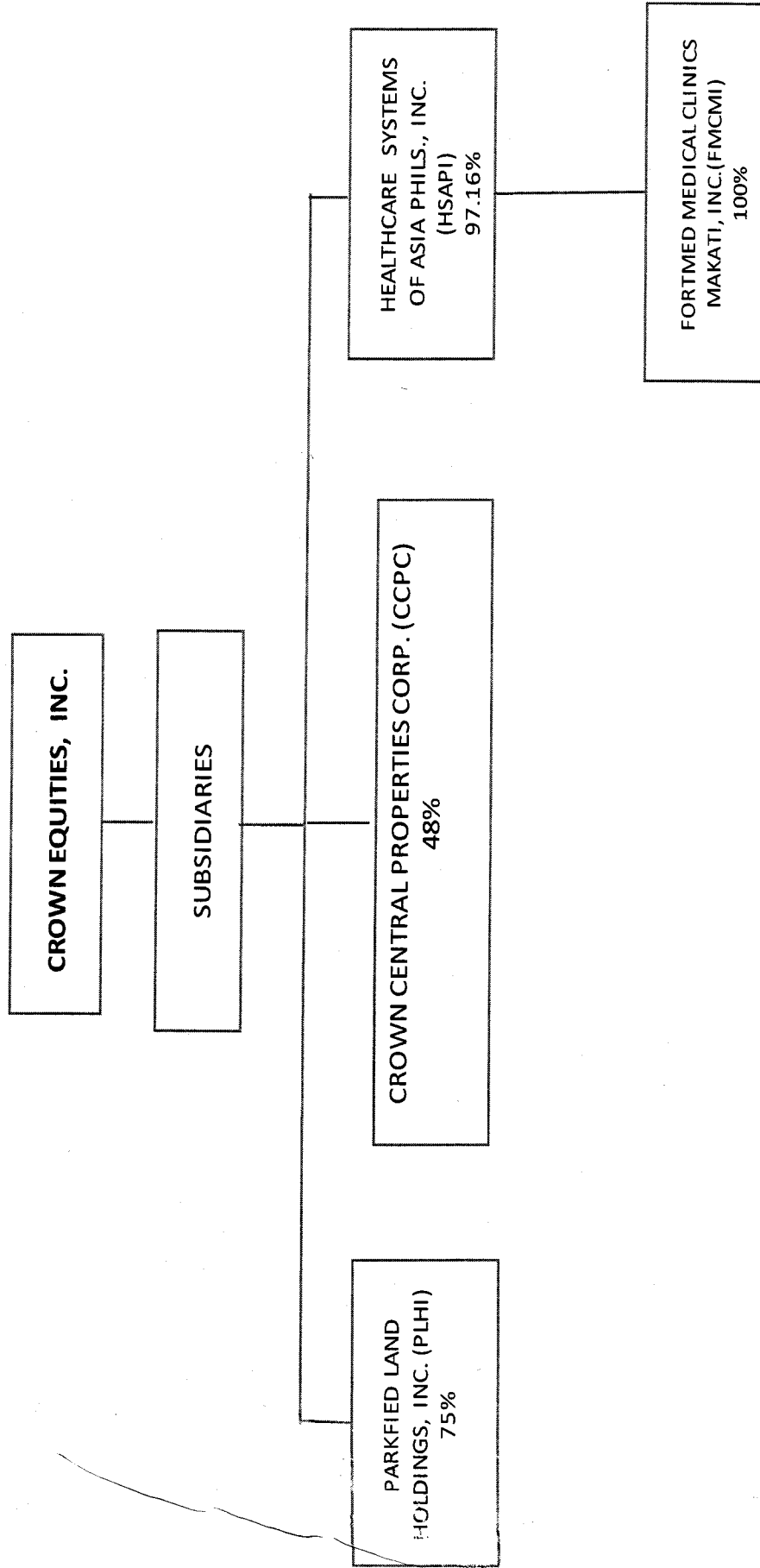
CROWN EQUITIES, INC. AND SUBSIDIARIES

Aging of Financial Assets

As of June 30, 2018

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
Financial Assets							
a. Cash and cash equivalents							
1. Cash in bank	28,223,094	28,223,094					
2. Short-term placements	578,010,000	578,010,000					
	606,233,094	606,233,094					
b. Trade receivable							
1. Installment contract receivable	67,086,470	2,430,003	4,423,280	5,424,960	23,104,486	19,405,870	12,592,158
<i>Crown Equities, Inc.</i>	36,831,067	548,117	1,927,209	2,473,153	8,444,938	12,076,106	11,655,810
<i>Crown Central Properties, Corp.</i>	30,255,403	1,881,886	2,496,071	2,951,807	14,659,528	7,329,764	936,348
2. Receivable from sale of medical goods and services	16,589,008	1,031,836	1,368,593	1,618,473	8,037,805	4,018,902	513,399
Less: Allowance for doubtful account	(6,066,711)	-	-	-	-	-	(6,066,711)
Net trade receivable	77,608,767	3,461,839	5,791,873	7,043,433	31,142,290	23,424,772	7,038,846
c. Non-trade receivable							
1. Due from project developers	42,477,122			42,477,122			
2. Receivable from buyers	1,938,213			1,938,213			
3. Rent receivables	1,762,753			1,762,753			
4. Interest receivables	561,834			561,834			
6. Others	9,656,320			9,656,320			
Sub-total	56,396,241			56,396,241			
Less: Allowance for doubtful account	-			-			
Net Non-trade receivable	56,396,241			56,396,241			

CROWN EQUITIES, INC. AND SUBSIDIARIES
MAP OF CONGLOMERATE
AS OF JUNE 30, 2018



CROWN EQUITIES, INC. AND SUBSIDIARIES

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2018		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			✓
	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	✓		
	Annual Improvements to PFRSs 2014 – 2016 Cycle: Deletion of short-term exemptions for first-time adopters			
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Annual Improvements to PFRSs 2010 – 2012 Cycle: Meaning of 'vesting condition'			✓
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions			
PFRS 3 (Revised)	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			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PFRS 4: Applying PFRS 9, Financial Instruments with PFRS 4, Insurance Contracts			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2018		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	Financial Instruments			
	Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39			✓
PFRS 9 (2014)	Financial Instruments		✓	
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	✓		
	Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	✓		
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities: Applying the Consolidation Exception			✓
PFRS 11	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 June 30, 2018		Adopted	Not Adopted	Not 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		✓	
	Annual Improvements to PFRSs 2014 – 2016 Cycle: Clarification of the scope of the standard			
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	Revenue from Contracts with Customers	✓		
PFRS 16	Leases	✓		
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	✓		
	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	✓		
	Amendments to PAS 7: Disclosure Initiative	✓		
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 June 30, 2018		Adopted	Not Adopted	Not Applicable
	Amendment to PAS 12: Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses	✓		
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	✓		
	Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities: Applying the Consolidation Exception			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2018		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 June 30, 2018		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)	✓		
	Amendments to PAS 40: Transfers of Investment Property			
PAS 41	Agriculture			✓
	Amendments to PAS 16 and PAS 41: Agriculture: Bearer Plants			✓
Philippine Interpretations				
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	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 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			✓
IFRIC 22	Foreign Currency Transactions and Advance Consideration	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2018		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			✓
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 2007-02	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 June 30, 2018		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. AND SUBSIDIARIES
SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS – PARENT
AVAILABLE FOR DIVIDEND DECLARATION**

*((Figures based on functional
currency of unaudited financial
statements as of and for the
period ended June 30, 2018))*

Unappropriated Retained Earnings, beginning	₱ 210,970,181
Net income	252,334,225
Non-actual/unrealized loss (gain) net of tax	
Fair value adjustments (M2M gains)	
TOTAL RETAINED EARNINGS AVAILABLE FOR DIVIDEND, ENDING	₱463,304,406

Crown Equities, Inc.
Schedule M - Key Performance Indicators
June 30, 2018

Indicator	As of			Formula
	Jun-18	Mar-18	Dec-17	
Current Ratio	5.16	3.12	4.09	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	3.16	0.49	1.11	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.10	0.14	0.14	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.09	0.12	0.12	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.10	1.14	1.14	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Interest Coverage Ratio	Nil	Nil	Nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	1.5326	0.0079	0.8494	$\frac{\text{Net Income}}{\text{Net Revenue}}$
Investment Ratio	0.36	0.44	0.33	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
Return on Assets	0.0730	0.0002	0.0630	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Earnings(Loss) Per Share	0.012992	(0.000163)	0.00889	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$