

COVER SHEET

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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

(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

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Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: September 30, 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>
Common	13,599,999,960 shares

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

Yes No

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

Philippine Stock Exchange / Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Company Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Please see Annex A

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

Discussions of Financial Condition and Changes in Financial Condition

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

	Sep. 30, 2017 (Unaudited)	Dec. 31, 2016 (Audited)	Increase (Decrease)	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	254.51	267.84	(13.33)	-4.98%
Financial assets at fair value through profit or loss	72.95	42.02	30.93	73.61%
Installment contract receivables - current portion	16.55	14.43	2.12	14.71%
Trade and other receivables - net	77.24	75.47	1.77	2.35%
Inventories	181.06	178.53	2.53	1.42%
Other current assets	61.84	57.99	3.84	6.63%
Total Current Assets	664.15	636.29	27.86	4.38%
Noncurrent Assets				
Available-for-sale financial asset	47.34	47.34	(0.00)	0.00%
Installment contracts receivable - net of current portion	50.35	51.01	(0.67)	-1.31%
Loan receivable - net of current portion	10.00	10.00	-	0.00%
Property and equipment - net	269.41	270.53	(1.12)	-0.41%
Investment properties - net	698.36	696.67	1.68	0.24%
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	4.35	4.76	(0.41)	-8.54%
Total Noncurrent Assets	1,336.93	1,337.44	(0.51)	-0.04%
	2,001.09	1,973.73	27.35	1.39%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and other liabilities	172.60	154.49	18.11	11.72%
Due to related parties	5.21	15.21	(10.00)	-65.73%
Income tax payable	2.32	1.72	0.60	34.55%
Subscriptions payable	42.16	42.16	-	0.00%
Total Current Liabilities	222.29	213.58	8.70	4.08%
Noncurrent Liability				
Retirement liability	14.83	13.36	1.48	11.05%
Total Liabilities	237.12	226.94	10.18	4.49%
Equity				
Capital stock	1,348.04	1,348.04	(0.00)	0.00%
Additional paid-in capital	118.57	118.57	-	0.00%
Retained earnings	130.76	117.31	13.45	11.46%
Retirement benefits reserve	2.52	2.52	-	0.00%
Total Equity Attributable to Equity Holders of the Parent Company	1,599.89	1,586.44	13.45	0.85%
Non-controlling interests	164.08	160.36	3.72	2.32%
Total Equity	1,763.97	1,746.79	17.17	0.98%
	2,001.09	1,973.73	27.35	1.39%

Amount in million pesos, except percentages.

Total Assets

Total assets posted an increase of ₱27.35 million or 1.39% as of September 30, 2017 primarily attributable to the growth in current assets by ₱27.86 million or 4.38%. The increase in current assets was mainly driven by investments in the foreign equities market and receivables. On the other hand, noncurrent assets decreased by ₱.51 million or 0.04%.

Current Assets

Total current assets increased to ₱664.15 million as of September 30, 2017, ₱27.86 million or 4.38% higher than the ₱636.29 million as of December 31, 2016. Cash declined by ₱13.33 million or 4.98% primarily due to purchase of marketable securities and transportation equipment. In connection with the decline in cash, the financial assets through profit or loss increased by ₱30.93 million or 73.61% resulting from the additional investment in the equities market. Current portion of the installment contract receivable increased by ₱2.12 million or 14.71% as sales were added from Palma units and receivables were reclassified to current portion. Inventories increased by 1.42% or ₱2.53 million due to addition of house units in Palma Real. Further, other current assets, increased by ₱3.84 million or 6.63% due to the creditable withholding and input taxes utilized during the period.

Noncurrent Assets

The noncurrent assets have declined by ₱.51 million or 0.04%. The property and equipment as well as installment contract receivables dropped by ₱1.12 million and ₱.67 million, respectively, due to depreciation and reclassification to current portion. Other non-current asset also decreased by 8.54% or ₱0.41 million due mainly to reduction in refundable deposits. On the other hand, investment properties increased by ₱1.68 million or 0.24% due to reclassification of asset for lease.

Liabilities and Stockholders' Equity

Total liabilities for the period increased by ₱10.18 million or 4.49% from ₱226.94 million as of year-end 2016 to ₱237.12 million as of September 30, 2017. This was attributable to the increase in accounts payable & accrued expenses amounting to ₱18.11 million representing increases in customers deposit and obligations to contractors of house units. However, there is a decrease in due to related parties amounting to ₱10 million or 65.73% due to repayment of advances from joint venture partners.

Lastly, total equity recorded a ₱17.17 million or 0.98% increase due to the positive bottom line figure posted for the nine-month period ending September 30, 2017.

Discussions on Results of Operation

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

Year to Date Ended September 30

	2017 (Unaudited)	2016 (Unaudited)	Increase (Decrease)	% Change
REVENUES				
Real estate sales	43,883,079	55,645,447	(11,762,368)	-21.14%
Sale of goods and services	46,997,503	39,413,370	7,584,133	19.24%
Interest on installment contract receivable	9,283,450	7,739,129	1,544,321	19.95%
Interest on loans	750,000	4,683,317	(3,933,317)	-83.99%
Rent income	8,160,237	7,553,289	606,949	8.04%
Dividend income	1,432,909	361,702	1,071,207	296.16%
	110,507,178	115,396,253	(4,889,076)	-4.24%
COST AND EXPENSES				
Cost of real estate sales	21,178,524	27,057,364	(5,878,840)	-21.73%
Cost of medical goods and services	15,645,773	15,296,916	348,858	2.28%
Salaries and employee benefits	34,562,609	26,464,216	8,098,392	30.60%
Depreciation and amortization	10,009,240	8,906,619	1,102,621	12.38%
Commission	3,159,711	3,696,193	(536,482)	-14.51%
Other operating expenses	29,089,719	24,369,937	4,719,783	19.37%
	113,645,576	105,791,245	7,854,331	7.42%
OTHER INCOME (CHARGES) - Net	25,426,482	1,867,212	23,559,270	1261.73%
INCOME BEFORE INCOMETAX	22,288,084	11,472,221	10,815,863	94.28%
INCOMETAX EXPENSE- Net	4,918,766	4,264,758	654,008	15.34%
NET INCOME/(LOSS)	17,369,318	7,207,463	10,161,855	140.99%
Attributable to:				
Equity holders of the parent company	13,645,219	4,414,352	9,230,867	209%
Non-controlling interests	3,724,099	2,793,112	930,988	33%
	17,369,318	7,207,463	10,161,855	242%

As of the third quarter of 2017, a net income of ₱17.37 million was recognized compared to a net income of ₱7.21 million for the same period in 2016.

Total revenues realized for the first nine months of 2017 amounted to ₱110.51 million, 4% or ₱4.89 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 ₱7.58 million or 19.24% and ₱1.5 million or 19.95%, respectively.

Cost of real estate sales significantly decreased as of September 30, 2017 by 21.73% as a consequence to the lower realized real estate sales. Likewise, commission decreased to ₱3.16 million from ₱3.70 million last year. On the other hand, the cost of medical goods and services increased by 2.28% or ₱.35 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. The total operating expenses has increased to ₱113.65 from ₱105.79 million in 2016.

Lastly, other income registered a significant increase at the end of this quarter primarily due to the boosting value of marketable securities which resulted to a positive ₱25.43 million from ₱1.87 million compared to last year of the same period. Consequently, income before tax was recognized at ₱22.29 million compared to a net income before tax of ₱11.47 million last year.

Key Performance Indicators

Indicator	As of				Formula
	Sept 2017	June 2017	Mar 2017	Dec 2016	
Current Ratio	2.99x	2.98x	2.97x	2.98x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	1.14x	1.19x	1.24x	1.25x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.13x	0.13x	0.14x	0.13x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.12x	0.12x	0.12x	0.11x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.13x	1.13x	1.14x	1.13x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.47x	0.47x	0.47x	0.47x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
		YTD			
	Sept 2017	June 2017	Mar 2017	Dec 2016	
Interest Coverage Ratio	Nil	Nil	Nil	Nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	15.72%	9.72%	1.76%	8.82%	$\frac{\text{Net Income after Minority Interest}}{\text{Net Revenues}}$
Return on Assets	0.87%	0.33%	0.02%	0.65%	$\frac{\text{Net Income after Minority Interest}}{\text{Average Total Assets}}$
Earnings Per Share	0.001003	0.000336	0.000063	0.000763	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$

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

Liquidity

As of September 30, 2017, current ratio is 2.99x while 2.98x as of December 31, 2016. Cash ratio during the period dropped to 1.14x from 1.25x as of September 30, 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 September 30, 2017 having debt-equity at 0.13x, debt-asset ratio at 0.12x and asset-equity ratio at 1.13x 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 September 30, 2017 and December 31, 2016.

Profitability

Net income margin significantly increased to 15.72% for the third quarter of 2017. The Company has recognized a net income for the period.

Return on Assets

The return on assets increased to 0.87% for the first three quarters of 2017 from 0.65% as of December 31, 2016.

Earnings per Share

As a result of the increase in the Company's profitability for the third quarter of 2017, income per share is at .001003x 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.

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: November 6, 2017

ANNEX A

CROWN EQUITIES, INC. AND SUBSIDIARIES

**UNAUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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

	Sep. 30, 2017 Unaudited	Dec. 31, 2016 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	254,509,587	267,841,454
Financial assets at fair value through profit or loss	72,952,110	42,020,983
Installment contract receivables - current portion	16,553,532	14,431,330
Trade and other receivables - net	77,240,737	75,470,389
Inventories	181,060,987	178,530,936
Other current assets	61,835,272	57,992,268
Total Current Assets	664,152,225	636,287,360
Noncurrent Assets		
Available-for-sale financial asset	47,344,659	47,344,659
Installment contracts receivable - net of current portion	50,346,878	51,014,766
Loan receivable - net of current portion	10,000,000	10,000,000
Property and equipment - net	269,409,608	270,527,029
Investment properties - net	698,355,971	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	4,352,358	4,758,659
Total Noncurrent Assets	1,336,934,411	1,337,444,412
	2,001,086,636	1,973,731,772
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities	172,599,072	154,489,372
Due to related parties	5,212,887	15,212,887
Income tax payable	2,318,304	1,723,056
Subscriptions payable	42,158,700	42,158,700
Total Current Liabilities	222,288,963	213,584,015
Noncurrent Liability		
Retirement liability	14,831,359	13,355,359
Total Liabilities	237,120,322	226,939,374
Equity		
Total Equity Attributable to Equity Holders of the Parent Company	1,599,885,032	1,586,435,215
Non-controlling interests	164,081,282	160,357,183
Total Equity	1,763,966,314	1,746,792,398
	2,001,086,636	1,973,731,772

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

	3rd Quarter Ended September 30		Year to Date Ended September 30	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
REVENUES				
Real estate sales	17,722,551	23,428,398	43,883,079	55,645,447
Sale of goods and services	18,412,170	13,391,409	46,997,503	39,413,370
Interest on installment contract receivable	2,950,655	3,161,419	9,283,450	7,739,129
Interest on loans	250,000	1,635,361	750,000	4,683,317
Rent income	2,805,186	2,414,223	8,160,237	7,553,289
Dividend income	695,915	117,121	1,432,909	361,702
	42,836,477	44,147,932	110,507,178	115,396,253
COST AND EXPENSES				
Cost of real estate sales	9,343,768	11,349,008	21,178,524	27,057,364
Cost of medical goods and services	5,957,598	11,242,638	15,645,773	15,296,916
Salaries and employee benefits	12,392,489	1,856,665	34,562,609	26,464,216
Depreciation and amortization	3,404,320	1,643,803	10,009,240	8,906,619
Commission	1,291,227	1,286,732	3,159,711	3,696,193
Other operating expenses	10,123,038	6,303,872	29,089,719	24,369,937
	42,512,441	33,682,717	113,645,576	105,791,245
OTHER INCOME (CHARGES) - Net	12,277,985	4,112,622	25,426,482	1,867,212
INCOME BEFORE INCOME TAX	12,602,021	14,577,837	22,288,084	11,472,221
INCOME TAX EXPENSE - Net	1,809,767	1,997,266	4,918,766	4,264,758
NET INCOME/(LOSS)	10,792,254	12,580,571	17,369,318	7,207,463
Attributable to:				
Equity holders of the parent company	9,076,993	11,225,995	13,645,219	4,414,352
Non-controlling interests	1,715,261	1,354,576	3,724,099	2,793,112
	10,792,254	12,580,571	17,369,318	7,207,463
BASIC/DILUTED EARNINGS PER SHARE				
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	0.000667	0.000825	0.001003	0.000325

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTERS ENDED SEPTEMBER 30, 2017 AND 2016

	3rd Quarter Ended September 30		Year to Date Ended September 30	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
CAPITAL STOCK				
Balance –beginning and ending	1,348,035,906	1,348,035,906	1,348,035,906	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	121,686,007	100,121,706	117,117,782	106,933,349
Net income for the period	9,076,993	11,225,995	13,645,219	4,414,352
Balance – ending	130,763,001	111,347,701	130,763,001	111,347,701
ACTUARIAL GAINS				
Balance – beginning and ending	2,515,851	1,636,864	2,515,851	1,636,864
Actuarial gains (loss)	-	-	-	-
Balance – ending	2,515,851	1,636,864	2,515,851	1,636,864
MINORITY INTEREST				
Balance – beginning	162,366,021	159,399,858	160,357,183	157,961,322
Net income for the period	1,715,261	1,354,576	3,724,099	2,793,112
Balance – ending	164,081,282	160,754,434	164,081,282	160,754,434
TOTAL EQUITY	1,763,966,314	1,740,345,178	1,763,966,314	1,740,345,178

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED SEPTEMBER 30, 2017 AND 2016

	3rd Quarter Ended September 30		Year to Date Ended September 30	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	12,602,022	14,577,835	22,288,085	11,472,219
Adjustments for:				
Depreciation and amortization	3,404,320	2,629,843	10,009,240	8,906,619
Retirement expense	492,000	465,375	1,476,000	1,449,375
Interest income	(4,322,465)	(745,208)	(13,760,560)	(2,427,983)
Unrealized foreign exchange gain (loss)	(307,998)	(2,477,011)	(584,098)	202,876
Gain (Loss) from cancelled contracts and forfeited customers' deposits	-	(1,689,411)	5,258,472	(239,084)
Dividend income	(695,915)	(117,121)	(1,432,909)	(361,702)
Unrealized (gain) loss in the change in value of financial assets at FVPL	(6,891,040)	(5,072,366)	(12,029,171)	(7,161,292)
Operating income before working capital changes	4,280,924	7,571,936	11,225,059	11,841,028
Decrease (Increase) in:				
Financial assets at fair value through profit or loss	1,224,727	3,397,364	(18,901,956)	(11,385,486)
Installment contract receivables	(1,327,043)	(1,700,302)	(7,625,182)	2,186,894
Receivables	(14,400,352)	(7,374,708)	(1,770,348)	(24,169,192)
Inventories	(2,069,058)	(525,433)	2,220,814	3,639,024
Other current assets	560,912	(2,562,399)	(3,843,004)	(2,308,008)
Increase (decrease) in accounts and other payables	6,246,334	8,139,267	14,075,829	18,978,089
Cash generated from (absorbed by) operations	(5,483,555)	6,945,725	(4,618,789)	(1,217,651)
Interest received	4,322,465	598,518	13,760,560	1,944,738
Dividend received	695,915	117,121	1,432,909	361,702
Benefits paid	-	-	-	-
Income taxes paid	(1,434,621)	746,692	(4,323,519)	(2,013,270)
Net cash provided by operating activities	(1,899,796)	8,408,056	6,251,162	(924,481)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property and equipment	-	-	-	-
Proceeds from disposal of investment properties	-	-	-	-
Acquisition of property and equipment	(1,138,385)	(2,422,226)	(7,445,166)	(3,391,091)
Acquisition of investment properties	-	-	(3,128,262)	-
Decrease (increase) in:				
Loans receivables	-	-	-	-
Other noncurrent assets	111,601	(69,142)	406,301	(986,370)
Available for sale financial assets	-	-	-	-
Net cash provided by (used in) investing activities	(1,026,784)	(2,491,368)	(10,167,127)	(4,377,461)
CASH FLOWS FROM FINANCING ACTIVITIES				
Collection of subscriptions receivable	-	-	-	-
Decrease in due to related parties	-	-	(10,000,000)	-
Net cash provided by (used in) financing activities	-	-	(10,000,000)	-
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	307,998	6,739,701	584,098	2,315,984
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,618,582)	12,656,389	(13,331,867)	(2,985,958)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	257,128,169	188,367,943	267,841,454	204,010,289
CASH AND CASH EQUIVALENTS AT END OF YEAR	254,509,587	201,024,332	254,509,587	201,024,332

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 September 30, 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
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%	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).

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 September 30, 2017 and 2016.

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 September 30, 2017 and 2016 and certain assets and liability information regarding industry segments as at September 30, 2017 and 2016 (in thousands).

	Real Estate	Healthcare Services	Investment Holding	Elimination	Total
Year to Date Sept 30, 2017					
REVENUES	65,516	46,998	801	(2,808)	110,507
RESULTS					
Segment results	9,073	(2,406)	(135)	-	6,532
Interest income	3,597	130	-	-	3,727
Change in fair value of financial assets at FVPL	12,029	-	-	-	12,029
Income tax expense	(4,631)	(288)	-	-	(4,919)
Net Income	20,068	(2,564)	(135)	-	17,369
ASSETS AND LIABILITIES					
Segment assets	2,217,133	41,260	99,467	(378,514)	1,979,346
Intangible assets	-	-	21,741	-	21,741
Total Assets	2,217,133	41,260	121,208	(378,514)	2,001,087
Segment Liabilities	224,009	20,983	79,387	(87,258)	237,120

OTHER SEGMENT INFORMATION

Depreciation	6,328	2,796	885	-	10,009
Capital expenditure in property and equipment	5,367	940	-	-	6,307
Capital expenditure in investment property	3,128	-	-	-	3,128
Investment and advances in a joint venture - net	587,657	-	23,369	(376,587)	234,439

Amounts in Php thousands.

	Real Estate	Healthcare Services	Investment Holdings	Elimination	Total
Year to Date September 30, 2016					
REVENUES	82,069	39,413	460	(6,908)	11,035
RESULTS					
Segment results	3,571	(23)	(444)	-	3,104
Interest Income					2,427
Change in fair value of financial assets at FVPL					5,906
Income Tax Expense					(4,265)
Net Income	(7,671)	(20)	(443)	-	7,207
ASSETS AND LIABILITIES					
Segment Assets	2,202,893	42,656	77,594	(374,363)	1,948,780
Intangible Assets	-	-	21,740	-	21,740
Total Assets	2,202,893	42,656	99,334	(374,363)	1,970,520
Segment Liabilities	230,724	25,805	78,962	(105,317)	230,174
OTHER SEGMENT INFORMATION					
Depreciation	6,700	1,340	867	-	8,907
Capital Expenditure in property and equipment	4,423	464	61	-	4,948
Capital Expenditure in Investment Property					-
Investments and advances in associates - net	603,503	-	22,851	(391,442)	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:

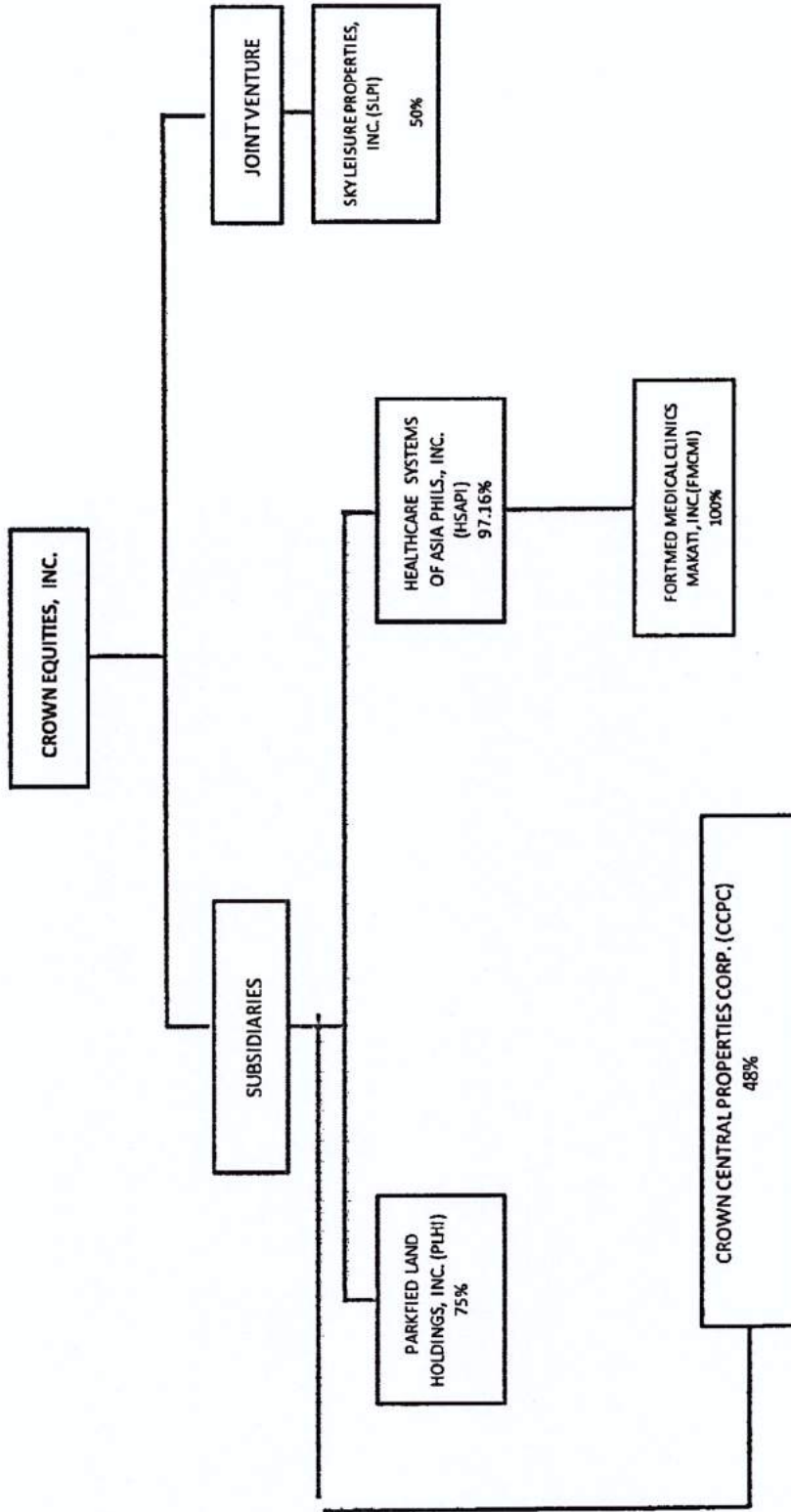
	<u>As of Sept. 30, 2017</u>	<u>As of Sept. 30, 2016</u>
Net income (loss) attributable to parent stockholders	₱13,645,219	₱4,414,352
Divided by weighted Average number of		
Outstanding common shares	<u>13,599,999,960</u>	<u>13,599,999,960</u>
Income (loss) per share	<u>₱0.001003</u>	<u>₱0.000325</u>

CROWN EQUITIES, INC. AND SUBSIDIARIES

Aging of Financial Assets
As of September 30, 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
Financial Assets							
a. Cash and cash equivalents							
1. Cash in bank	35,339,587	35,339,587					
2. Short-term placements	219,170,000	219,170,000					
	254,509,587	254,509,587					
b. Trade receivable							
1. Installment contract receivable	66,900,410	4,161,205	5,519,284	6,527,002	32,414,983	16,207,492	2,070,443
2. Receivable from sale of medical goods and services	16,970,076	1,055,539	1,400,031	1,655,651	8,222,442	4,111,221	525,192
Less: Allowance for doubtful account	(6,066,711)	-	-	-	-	-	(6,066,711)
Net trade receivable	77,803,774	5,216,744	6,919,315	8,182,653	40,637,425	20,318,713	(3,471,076)
c. Non-trade receivable							
1. Due from project developers	52,518,699			52,518,699			
2. Receivable from buyers	2,235,330			2,235,330			
3. Rent receivables	1,758,084			1,758,084			
4. Interest receivables	561,834			561,834			
6. Others	9,263,426			9,263,426			
Sub-total	66,337,372			66,337,372			
Less: Allowance for doubtful account	-						
Net Non-trade receivable	66,337,372			66,337,372			

Crown Equities, Inc. and Subsidiaries
Map of Conglomerate
September 30, 2017



CROWN EQUITIES, INC. AND SUBSIDIARIES

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2017		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, 2017		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, 2017		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, 2017		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, 2017		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, 2017		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, 2017		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, 2017		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 September 30, 2017))*

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

Crown Equities, Inc.
Schedule M - Key Performance Indicators
September 30, 2017

Indicator	As of				Formula
	Sep-17	Jun-17	Mar-17	Dec-16	
Current Ratio	2.99	2.98	2.97	2.98	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	1.14	1.19	1.24	1.25	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.13	0.13	0.14	0.13	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.12	0.12	0.12	0.11	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.13	1.13	1.14	1.13	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Interest Coverage Ratio	Nil	Nil	Nil	Nil	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Income Margin	0.1572	0.0972	0.0176	0.0882	$\frac{\text{Net Income}}{\text{Net Revenue}}$
Investment Ratio	0.47	0.47	0.47	0.47	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
Return on Assets	0.0087	0.0033	0.0002	0.0065	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Earnings Per Share	0.001003	0.000336	0.000063	0.00076	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$