

COVER SHEET

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S.E.C. Registration Number

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

(Company's Full Name)

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N . G A R C I A C O R J U P I T E R S T M A K A T I

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

E U G E N E M A C A L A L A G

Contact Person

8 9 9 - 0 4 - 5 5

Company Telephone Number

1 2 3 1

Month Day
Fiscal Year

1 7 - Q

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: March 31, 2011
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: Postal Code: 1209
4th Floor Crown Center 158 Jupiter Street Corner N. Garcia, Makati City
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

	March 2011 (Unaudited)	Dec 2010 (Audited)	Increase/ (Decrease)	%age Change
Cash and cash equivalents	160.84	135.02	25.82	19.12%
Financial assets at fair value thru profit & loss	24.11	17.18	6.93	40.32%
Installment contracts receivable – short-term	15.73	22.56	-6.83	-30.29%
Receivables and advances	54.00	78.80	-24.81	-31.48%
Inventories	242.20	248.02	-5.82	-2.35%
Available-for-sale financial asset	44.85	44.85	0.00	0.00%
Other current assets	58.00	55.44	2.56	4.62%
Installment contracts receivable – long-term	84.43	75.43	8.99	11.92%
Investments and advances to related parties-net	234.45	234.44	0.01	0.00%
Investment properties – net	624.12	624.02	0.10	0.02%
Property and equipment - net	304.96	307.53	-2.57	0.84%
Goodwill	21.74	21.74	0.00	0.00%
Other non-current assets	32.98	32.79	0.18	0.56%
TOTAL ASSETS	1,902.40	1,897.84	4.56	0.24%
Accounts payable and other liabilities	135.28	134.36	0.92	0.68%
Due to related parties	54.97	54.96	0.01	0.00%
Income tax payable	7.05	5.77	1.28	22.21%
Subscriptions payable	42.16	42.16	0.00	0.00%
Retirement benefit obligation	6.05	5.71	0.33	5.79%
Shareholders' equity	1,509.53	1,508.81	0.72	0.05%
Minority interest	147.37	146.06	1.31	0.90%
TOTAL LIABILITIES & EQUITY	1,902.40	1,897.84	4.56	0.24%

Amounts in million pesos, except percentages.

Total Assets

As of March 31, 2011, total assets increased from P1.897 billion as of December 31, 2010 to P1.902 billion. The increase of P4.56 million in assets was the result of the revenues earned during the period.

Current Assets

Total current assets decreased by P2.16 million as of March 31, 2011. The Company's improved collection of receivables resulted to the net increase in the amount of cash of P25.82 million. The total collections of receivables and advances amounting to P24.81 million pertains to the remittances of collections from buyers made by the project developers; collection made from the sale of a portion the Company's stake in Asian Alliance Holdings and Development Company; and collection on advances. Short-term installment contract receivables decreased by P6.83 million due to collections from buyers of condominium units and residential lots. Portion of these collections was used to acquire additional marketable equity securities and to pay for real property taxes represented by the increase of P6.93 million in financial assets at fair value through profit and loss and P2.56 million in other current assets. The increase in collections was also mitigated by the sale of real estate and medical services on credit basis which resulted to the decrease in inventories of P5.82 million.

Non-Current Assets

Total non-current assets increased by P6.72 million as of March 31, 2011. As a result of the sales of real estate on installment basis, long-term installment contract receivables increased by P8.99 million during the period. However, property and equipment decreased by P2.57 million brought by the depreciation over the period.

Liabilities and Stockholders' Equity

Total liabilities increased by 1.04% or P2.53 million as of March 31, 2011. Income tax liability increased by P1.28 million due to the income earned during the period. Accounts payable and other liabilities increased by P920 thousand and the obligation for retirement benefit to employees also increased by P330 thousand as a result of accrual of retirement expense for the period.

Total equity increased by P2.03 million as of March 31, 2011 representing the net income realized for the period.

Discussions on Results of Operation

Account (P'000'000)	Mar 31 YTD 2011 (Unaudited)	Mar 31 YTD 2010 (Unaudited)
Real estate sales	13.38	4.86
Sales of medical goods & services	13.97	13.74
Rent Income	1.61	1.26
Interest income on installment contracts	2.24	0.00
Other income	2.72	0.12
Cost of sales & services	12.23	7.54
Employee compensation and benefits	6.11	3.72
Professional fees	1.04	1.12
Commission	1.13	0.74
Depreciation and amortization	2.43	1.22
Taxes and licenses	2.04	0.48
Operating costs and other expenses	5.23	4.05
Income tax	1.68	0.87
Net income (Loss)	2.03	0.26

Net income increased almost eight fold from P260 thousand as of March 31, 2010 to P2.03 million as of March 31, 2011.

Total revenue increased by 57.07% or P11.34 million due to the Company's improved real estate sales which increased by 175.12%. Revenue from real estate sales reached P13.38 million in the first quarter of 2011. P5.76 million came from the Cypress Towers project while P7.62 million came from the Palma Real Residential Estates project. Interest received on real estate sales on installment basis amounted to P2.24 million during the period.

Other income of P2.72 million earned during the period pertains largely to the interest income on short-term placements and the unrealized gain on the recovery of the market value of the marketable equity securities.

Operating costs and expenses increased by 60.12% for the quarter ended March 31, 2011. The biggest contributor to this was cost of real estate sales with an increase of P4.42 million. Employee compensation also increased by P2.39 million due to the growing number of employees and key management personnel. Taxes and licenses increased by P1.56 million because of the real property taxes incurred during the period. Depreciation and amortization increased by P1.22 million as additional equipment were acquired specially for the medical services operations. Other operating expenses also increased by P1.18 million to support the Company's growing operations.

Key Performance Indicators

Indicator	As of		Formula
	Mar 2011	Dec 2010	
Investments Ratio	0.45x	0.45x	$\frac{\text{Total Investment and Advances}}{\text{Total Assets}}$
Current Ratio	2.50x	2.53x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt Ratio	0.13x	0.13x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
	Year to date		
	Mar 2011	Mar 2010	
Return on Assets	0.2%	0.1%	$\frac{\text{EBIT}}{\text{Total Assets}}$
Earnings Per Share	0.00005	0.00004	$\frac{\text{Net Income}}{\text{Total Shares Subscribed}}$

The Company measures its performance based on the utilization of assets and the return on its investments. However, as of March 31, 2011, most of its investments are in ventures that are still at pre-operating stages.

Investment ratio, which indicates the proportion of total assets invested in various ventures including land banking did post any change from the period as of December 31, 2010 to March 31, 2011. There were no major additional investments acquired to be able to post an increase in investment ratio.

Current ratio went down to 2.50x as of March 31, 2011. Although collections improved during the period, it was not able to mitigate the effect of cash disbursements and the decrease in inventories to be able to post a higher current ratio. The increase in income tax payable also contributed to the decline in the current ratio. However, the Company's liquidity level is still more than sufficient to be able to meet its current liabilities.

The Company's debt ratio remained at 0.13x due to the minimal change in total liabilities and total assets.