COVER SHEET

					1	8	3	8	3	5

S.E.C. Registration Number

ALPHALAND CORPORATION

(Company's Full Name)

ALPHALAND SOUTHGATE TOWER
2258 CHINO ROCES AVENUE
CORNER EDSA MAKATI CITY

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

Rodolfo Ma. A . Ponferrada

Contact Person

338-5599

Company Telephone Number

1 2 **3 1**

Month *Day*

Fiscal Year

SEC 17Q-2

FORM TYPE

05 31

Annual Meeting

Not Applicable

Secondary License Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

41

Total No. of Stockholders

₱7,620,956,863

Domestic

Not Applicable

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-1Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE

1. For the fiscal year ended **June 30, 2013**

2. SEC Identification No. **183835** 3. BIR Tax Identification No **000-001-746-612**

4. Exact Name of Issuer as specified in its charter **ALPHALAND CORPORATION**

Philippines
5. Province, Country or other jurisdiction of Incorporation or Organization

6. SEC Use Only
Industry Classification Code

Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City **1232**
7. Address of Principal Office Postal Code

(632) 337-2031
8. Issuer's telephone number, including area code

NA
9. Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt/ Liabilities Outstanding
Common	**1,984,322,351**	**–**

Are any of the securities listed on the Philippine Stock Exchange?
Yes ✓ No

12. Check whether the issuer

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

Yes ✓ No

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

Yes ✓ No

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

Attached herein is the unaudited consolidated interim financial statements of Alphaland Corporation ("ALPHA" or the "Parent Company") and its subsidiaries (together with ALPHA, the "Group" or the "Company") as of, and for the period ended June 30, 2013. The accompanying interim financial statements do not include all the information and disclosures required in the financial statements and should be read in conjunction with its audited financial statements as of, and for the year ended December 31, 2012.

Basis of Preparation

The accompanying financial statements have been prepared under the historical cost basis, except for AFS investments and investment properties, which are carried at fair value. The consolidated financial statements are presented in Philippine peso, the Parent Company's functional currency and presentation currency, and all values are rounded off to the nearest peso, except when otherwise indicated.

Statement of Compliance

The accompanying financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS also include Philippine Accounting Standards (PAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

Changes in Accounting Policies and Disclosures

The accounting policies and methods of computation adopted in preparation of the Group's unaudited interim consolidated financial statements are the same with the most recent audited consolidated financial statements for the year ended December 31, 2012.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PAS, PFRS and Philippine Interpretations that became effective during the year. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have significant impact on its financial statements.

- PAS 27, Separate Financial Statements (as revised in 2011) (effective for annual periods beginning on or after January 1, 2013)

  As a consequence of the new PFRS 10, Consolidated Financial Statements, and PFRS 12, Disclosure of Interests in Other Entities, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

- PAS 28, Investments in Associates and Joint Ventures (as revised in 2011) (effective for annual periods beginning on or after January 1, 2013)

  As a consequence of the new PFRS 11, Joint Arrangements, and PFRS 12, Disclosure of Interests in Other Entities, PAS 28, Investment in Associates, has been renamed PAS 28, Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.

- PFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1, 2013, with retrospective application)

These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set-off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

a) The gross amounts of those recognized financial assets and recognized financial liabilities;
b) The amounts that are set-off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
c) The net amounts presented in the statement of financial position;
d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
   i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
   ii. Amounts related to financial collateral (including cash collateral); and
e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments to PFRS 7 are to be retrospectively applied and are effective for annual periods beginning on or after January 1, 2013. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 10, Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013)

PFRS 10 replaces the portion of PAS 27, Consolidated and Separate Financial Statements, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, Consolidation - Special Purpose Entities. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

- PFRS 11, Joint Arrangements (effective for annual periods beginning on or after January 1, 2013)

PFRS 11 replaces PAS 31, Interests in Joint Ventures, and SIC-13, Jointly-controlled Entities - Non-monetary Contributions by Venturers. PFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will impact the financial position of the Group because of the discontinuance of proportionate consolidation of the joint venture in Alphaland Bay City Corporation (ABCC, formerly A.A. Land Properties Developers Corporation). With the application of the new standard, the investment in ABCC will be accounted for using the equity method of accounting. The Group has adopted the new standard in its June 30, 2013 financial statement and restated its comparative period in 2012.

- PFRS 12, Disclosure of Interests in Other Entities (effective for annual periods beginning on or after January 1, 2013)

  PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, Investments in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

- PFRS 13, Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013)

  PFRS 13 establishes a single source of guidance under PFRS for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13. The Group is currently assessing the impact that this standard will have on the financial position and performance.

Effective Subsequent to 2013

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (effective for annual periods beginning on or after January 1, 2014, with retrospective application)

  The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. While the amendment is expected not to have any impact on the net assets of the Group, any changes in offsetting is expected to impact leverage ratios and regulatory capital requirements. The Group is currently assessing impact of the amendments to PAS 32.

- PFRS 9, *Financial Instruments: Classification and Measurement* (effective for annual periods beginning on or after January 1, 2015)

  PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The

Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*

  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under
  PAS 11, *Construction Contracts,* or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. The adoption of this interpretation will result in the change in the Group's revenue and cost recognition from percentage of completion method to completed contract once the Group starts recognizing revenue arising from sale of real estate.

- Improvements to PFRSs (effective for annual periods beginning on or after January 1, 2013, with retrospective application)

  - PFRS 1, First-time Adoption of PFRS - Borrowing Costs

    The amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.

  - PAS 1, Presentation of Financial Statements - Clarification of the Requirements for Comparative Information

    The amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

  - PAS 16, Property, Plant and Equipment - Classification of Servicing Equipment

    The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment will not have any significant impact on the Group's financial position or performance.

- PAS 32, Financial Instruments: Presentation - Tax Effect of Distribution to Holders of Equity Instruments

  The amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, Income Taxes. The Group expects that this amendment will not have any impact on its financial position or performance.

- PAS 34, Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities

  The amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

The Group continues to assess the impact of the above new, amended and improved accounting standards and interpretations effective subsequent to December 31, 2012 on its consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the Group's consolidated financial statements when these amendments are adopted.

Restatement of 2012 and 2011 Financial Statements

The Group has adopted the new standard on PFRS 11, Joint Venture Arrangements, in its March 31, 2013 financial statements and restated its comparative period in 2012. The impact of PFRS 11 in year 2012 is a reduction of gain on fair value change of investment properties, net of tax, of ₱731.4 million and a reduction of the costs and expenses of ₱0.7 million as the share in the income from joint ventures will be presented as equity in net income of joint ventures. There is no effect in the statement of comprehensive income and in equity. Investment properties and liabilities is reduced by ₱10,796.2 million and ₱650.1 million, respectively, with a corresponding increase in investment in joint venture by ₱10,146.1 million.

In compliance with the amended IAS 1, Presentation of Financial Statements, the Group presented a third balance sheet and three year disclosure in related notes as of the beginning of the earliest comparative period because of the aforementioned adoption of new standard in its financial statements.

Description of Business

Alphaland Corporation, formerly Macondray Plastics, Inc. (MPI), is a holding company incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). The principal business of the Group is real property development.

Nature of Business and Brief Historical Background

On November, 19, 1990, the Company was incorporated as Agro Plastics, Inc. under Securities and Exchange Commission No. 18385 with Pioneer Ventures, Inc. as the controlling shareholder. Until 1994, the Company's sole business was to supply the requirements of the Lapanday Group's banana plantations.

Sometime in March 1995, the Company was sold to Macondray & Co., Inc. ("MCI") and was subsequently renamed Macondray Plastics, Inc. (MPI). In 1997, the Company embarked on a program to reduce its total dependence on the banana industry by further expanding its customer base to commercial/industrial accounts. In November 2000, the Company braved the sluggish stock market and became the first Davao-based, Davao-oriented company to list in the Philippine Stock Exchange ("PSE" or the "Exchange"). The proceeds of the initial public offering were used to expand the Company's production capacity and capabilities. In September 2009, the Company decided to spin off the operations and maintenance of its plastics manufacturing interest to a separate juridical entity. Thus, Macondray Plastics Products, Inc. (MPPI) was incorporated and registered with the SEC on September 25, 2009 and became a wholly owned subsidiary of the Company then. Immediately thereafter, a deed of conveyance was executed on October 13, 2009 where the Company shall transfer all of its assets and liabilities relating to the plastics manufacturing interest to MPPI with effect upon the approval by the SEC of MPPI's application for increase in authorized capital stock (the "Assignment"). Accordingly, MPPI assumed the management of the Company's plastic products manufacturing operations and absorbed all the employees of the Company who were all connected to the plastics manufacturing business at that time.

On October 1, 2009, a Share Purchase Agreement (the "SPA") was executed between RVO Capital Ventures Corporation ("RVO Capital") and MCI. The transaction involves the acquisition by RVO Capital of MCI's 99,444,000 shares in the Company which represents MCI's entire interest in the Company. Since MCI's interest represents approximately 66% of the Company's outstanding capital stock, the acquisition thereof triggered the application of the mandatory tender offer rule of the Securities Regulation Code ("SRC"). After the conduct of the tender offer, RVO Capital acquired a total of 142,656,748 shares representing 95% of the Company's then issued and outstanding capital stock.

On November 18, 2009, the Company, or MPI then, and all the stockholders of Alphaland Development, Inc.(ADI) entered into a Share Swap Agreement (SSA) for a share-for-share swap of all of ADI's issued and outstanding shares (as well as existing shareholders' advances/deposits for future stock subscriptions) in exchange for new shares to be issued by ALPHA. Each ADI share was exchanged for approximately 5.08 shares, or a total of 1,269,734,041 shares of ALPHA. After the share-for-share swap, ADI became a wholly owned subsidiary of ALPHA thereby allowing the diversification into the property development sector. In view of the foregoing, the Company applied for the amendment of its Articles of Incorporation involving the change in corporate name from "Macondray Plastics, Inc," to "Alphaland Corporation", change in primary purpose from a plastics manufacturing interest to a holding company, change in principal place of business from Davao City to Makati City, and increase in its authorized capital stock from P400.0 million to P5.0 billion, among others, which was approved by the SEC on April 7, 2010.

On December 23, 2010, ALPHA signed a Memorandum of Understanding ("MOU") with Macondray Philippines Co., Inc. ("MPCI"), where the latter is offering to buy ALPHA's entire interest in MPPI upon completion of the Assignment, which ALPHA accepted for a reasonable consideration to be determined nearer to the Assignment. With the foregoing agreement, ALPHA presented the assets of MPPI as "Assets held for sale", and the liabilities as "Liabilities directly associated with assets held for sale" in the 2010 consolidated balance sheet, and reported the operations of the plastics manufacturing segment as "Income from discontinued operations" in the 2010 consolidated statement of comprehensive income.

On April 29, 2011, the SEC approved the increase in authorized capital stock of MPPI that completed the Assignment and total spinoff of MPPI. It paved the way to the Company's eventual sale of MPPI to MPCI. A Deed of Absolute Sale was executed on October 28, 2011 for a consideration of ₱254.0 million.

<u>ALPHA's Significant Legal Subsidiaries as of June 30, 2013</u>

a. *Alphaland Balesin Island Resort Corporation (ABIRC), 100%-owned by ALPHA,* was incorporated in the Philippines and registered with the Philippine SEC on May 26, 2010. ABIRC's primary purpose is to invest in, purchase, or otherwise acquire and own, hold use, sell, assign, transfer, mortgage, pledge, and exchange or otherwise dispose, as may be permitted by law, of real and personal property of every kind and description.

b. *Alphaland Development Inc (ADI), 100%-owned by ALPHA*, was incorporated and registered with the Philippine SEC on May 29, 2007. After its incorporation, ADI became 40%-owned by Alphaland Holdings (Singapore) Pte. Limited, a company incorporated in Singapore, and 60%-owned by other companies incorporated in the Philippines [namely, Masrickstar Corporation (Masrickstar), Boerstar Corporation (Boerstar), and Azurestar Corporation (Azurestar)]. On April 7, 2010, ADI became a wholly owned subsidiary of ALPHA as an effect of the SSA. ADI's primary purpose is to engage in real property acquisition and development. ADI's acquired property pertains to a 20-storey office tower building with a 6-storey podium shopping mall known as Alphaland Southgate Tower.

c. *Alphaland Makati Place, Inc. (AMPI), 100%-owned by ADI*, was incorporated and registered with the Philippine SEC on March 6, 1991 as Silvertown Property Development Corporation. In June 2008, ADI acquired from Sime Darby Pilipinas, Inc. its 100% stake in AMPI, the leasehold owner of a real property then owned by the Boy Scouts of the Philippines (BSP) located at the corner of Ayala Avenue and Malugay Street in Makati City (the "Malugay Property"). Subsequently, in August 2008, ADI's interest in AMPI was diluted to 94.12% with the subscription of new shares by Noble Care, representing 5.88% of the 34,531 total subscribed shares. On February 26, 2010, the Philippine SEC approved the change in corporate name from "Silvertown Property Development Corporation" to "Alphaland Makati Place, Inc.". On November 11, 2010, Noble Care's 5.88% interest in AMPI was sold to ADI, making AMPI a 100% subsidiary of ADI.

   AMPI's primary purpose is to lease and sublease the Malugay Property, a premium one hectare property. AMPI entered into a joint venture with BSP to develop the Malugay Property into a first class commercial development known as Alphaland Makati Place. It will be a mixed-use property development consisting of high end residential towers atop an upscale six-storey podium with a shopping center and a City Club, including a Boy Scout Convention Center.

d. *Alphaland Makati Tower, Inc. (AMTI), 100%-owned by ADI,* was incorporated and registered with the Philippine SEC on July 28, 2010, with primary purpose of developing, leasing and subleasing a property situated along Ayala Avenue, which is the center of the Makati Central District. The property measuring 2,400 square meters, more or less, was acquired by ADI from Sta. Lucia Land, Inc. in June 2008. This was conveyed by ADI to AMTI in exchange for shares of stock of AMTI in 2011. A 34-storey building was constructed on the site known as Alphaland Tower. The building construction is substantially completed as of end of second quarter 2013.

e. *Alphaland Marina Corporation (AMC), 100%-owned by ADI,* was incorporated and registered with the Philippine SEC on December 2, 2010, with primary purpose of dealing and engaging in the real estate business. AMC's plan is to develop (together with the Group) an ultra-modern marina and yacht club that will have various dining, sports, recreation, boating, yachting, sailing and other similar amenities exclusively to its members and their guests and dependents (the "Marina Club"). The Marina Club will be the centerpiece of the Alphaland Bay City, a joint venture project of the Group and D.M. Wenceslao & Associates, Inc. (DMWAI) and Wendel Holdings Co., Inc. (Wendel); DMWAI and Wendel collectively referred to as "Wenceslao", to be located in 32-hectares, more or less, of reclaimed land at Aseana Business Park in Parañaque City. On December 10, 2010, AMC's BOD authorized the application for incorporation of Alphaland Marina Club, Inc. (AMCI) to own and operate the Marina Club.

f. *Alphaland Reclamation Corporation (ARC), 100%-owned by ALPHA,* was incorporated and registered with the Philippine SEC on April 5, 2011, and primarily engaged in the construction of reclamation projects and to contract for and perform reclamation works.

g. *Aklan Boracay Properties Inc. (ABPI), 100%-owned by ALPHA,* was incorporated in the Philippines and registered with the SEC on May 19, 2010, and primarily engaged to invest in, purchase or otherwise acquire and own, hold use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose, as may be permitted by law, of real and personal property of every kind and description. ABPI is the Group's project company for the Alphaland Boracay Gateway venture with Akean Resorts Corporation.

h. *2258 Blue Holdings, Inc. (Blue Holdings), 100%-owned by ADI,* was incorporated and registered with the Philippine SEC on November 17, 2012 and its primary purpose is to purchase, own and hold the stock of other corporations, and to do every act and thing covered generally by the denomination of "holding corporation", especially to direct the operations of other corporations through the ownership of stock therein.

i. *Choice Insurance Brokerage, Inc. (CIBI), 70%-owned by Blue Holdings,* was incorporated in the Philippines and registered with the SEC on November 6, 2012, and is primarily engaged to conduct, carry on and maintain insurance business, to act as a broker, and to do other related activities.

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

Projects

Alphaland Southgate Tower

The property with lot area of 9,497 square meters, more or less, located at the nexus of Metro Manila's two main traffic arteries, EDSA and the South Superhighway is now a fully developed and revenue-generating 20-storey office tower building with a 6-storey podium shopping mall.

Alphaland Makati Place

Alphaland Makati Place will consist of three high-end residential towers atop an upscale six-storey podium with a shopping center and a City Club dedicated to urban sports and leisure. Alphaland Makati Place will rise on a premium one hectare property along Ayala Avenue Extension corner Malugay Street, Makati City. Featuring truly "smart homes", Alphaland Makati Place will be the first in the country with built-in concierge technology that will enable its residents and tenants to achieve lifestyle objectives on demand.

Comprising of almost 2 hectares of sports and leisure facilities, The City Club at Alphaland Makati Place will fulfill the wellness, social, sports and business needs of its members. Facilities will include a spa, aerobics, dance and yoga rooms, formal and casual restaurants, cafes, a sports bar, children's activity center, coffee lounges, indoor tennis courts, indoor badminton courts, lap pool and children's pool, private business meeting rooms, and a business center. The City Club is slated for opening on August 28, 2013.

Alphaland Balesin Island Club

Thirty-three kilometers off the eastern coast of Luzon and only a mere 23 minutes by plane from Manila's Ninoy Aquino Domestic Airport sits Balesin Island: an untouched, lush tropical getaway with roughly 7.3 kilometers of white sand beaches. Alphaland Balesin Island Club is a 424-hectare island resort which will have uniquely designed accommodations and amenities in each of the major sites of the island.

With the clubhouse as the island's centerpiece, Alphaland Balesin Island Club will be subdivided into seven villages which will take inspiration from the most luxurious beachside destinations around the world: St. Tropez (France), Phuket (Thailand), Toscana (Italy), Bali (Indonesia), Mykonos (Greece), Costa del Sol (Spain) and Balesin (Philippines). As of December 31, 2012, the Club is substantially completed and is already operational. Expansion projects to increase the number of villas in the different villages are in progress.

Alphaland Tower

Rising at the heart of the Makati Central Business District, Alphaland Tower will be a new landmark building to service the growing demand for high-end corporate offices in the Philippines. Designed by world renowned Wong and Ouyang Ltd. of Hong Kong and certified by Aromin & Sy and its associates, Alphaland Tower will be the most modern of only six existing premium-grade office buildings in the district. It is envisioned to have a superimposing lobby with a two-storey high ceiling clad in glass to allow natural lighting in. Each level will have a large floor template of up to 1,500-1,600 square meters. The penthouse will have its own swimming pool and al fresco lounge, making it the most desirable office in the country. The 34-storey Alphaland Tower will rise on a 2,400 square meter property along Ayala Avenue. The construction of the Alphaland Tower is substantially completed as of June 30, 2013.

Alphaland Bay City

Alphaland Bay City is a 32-hectare planned premium seaside residential, commercial and business community located along Manila Bay beside the Mall of Asia compound. Alphaland Bay City's highlight is a magnificent marina to be called the Alphaland Marina Club, with a shoreline containing a broad promenade lined by outdoor cafés, restaurants, boutiques, book-ended by two grand hotels. Directly behind the promenade are clusters of low-rise commercial buildings, backed by medium-rise apartment complexes, followed by high-rise business towers, carefully positioned to ensure unmatched views and generous breezes for all of the property's residents and workers.

Alphaland Marina Club

Alphaland Bay City's centerpiece is a modern Marina Club that provides world-class yachting facilities for about 300 yachts, including super and mega yachts. It is the only marina in the country where members may use several exclusive yachts belonging to the club itself. For those who have only occasional use for a yacht, this fractional use frees them from the concerns of ownership, maintenance and crewing, as well as allows them to try different types of yachts and sailboats.

Alphaland Boracay Gateway Country Club

Alphaland Boracay Gateway is a joint venture between Alphaland Corporation and Akean Resorts Corporation. Situated in a sprawling 500-hectare property in the northern tip of Nabas, Aklan on Panay Island, the property faces the world-famous Boracay Island. With the proposed Caticlan International Airport and the Boracay Jetty only a five minute drive away, Alphaland can truly build a gateway development to Boracay and a spectacular destination in itself.

The Alphaland Boracay Gateway Country Club is designed for an exclusive market in search of an escape in an idyllic setting. Luxurious water villas on the beachfront aid in creating your very own private haven to be enjoyed in splendid isolation while on white sand beaches. Alphaland also aims to transform this prime property into a high-end, mixed-use resort complex anchored by a Polo and Country Club that also features water recreational activities. Furthermore, members of the Gateway Club will enjoy direct access to and from Boracay Island via a direct ferry service.

Shangri-La at The Fort

Shangri-La at The Fort is located in a 1.5 hectare property in West Super Block of the Fort Bonifacio Global City at the corner of 5th Avenue and 30th Street. Slated for completion in 2014, Shangri-La at The Fort is a mixed-use business, hospitality, residential and retail tower with over 13 hectares of gross floor area. Shangri-La has named US-based Skidmore, Owings, and Merrill LLP as architect and Hirsch Bedner Associates to undertake the interior design for guestrooms and the main lobby.

The Company has a 20% stake in the Shangri-La at the Fort project. The complex is expected to cost close to ₱20.0 billion and will have 60 floors comprising 577 hotel guestrooms, 97 hotel residences and 96 exclusive Horizon Homes. The building is destined to become a Manila landmark. The new hotel will complement the company's five existing properties in the Philippines.

Silang Property

ADI's three parcels of land in Silang, Cavite, measuring a total of 300,000 square meters, more or less, is reserved for future development.

Results of Operations

	For the 2nd Quarter Ended June 30, 2013 (Unaudited)	For the 2nd Quarter Ended June 30, 2012 (Unaudited and As Restated)	For the Six Months Ended June 30, 2013 (Unaudited)	For the Six Months Ended June 30, 2012 (Unaudited and As Restated)
Revenues	144,561,278.00	136,218,271.00	287,216,883	255,251,443
Costs and Expenses	158,760,292.00	127,655,018.00	305,022,716	229,089,315
Other Income	1,667,543,924.00	1,607,164,400.00	2,106,129,743	2,077,974,137
Net Income	1,382,193,693.00	1,308,239,058.00	1,784,632,363	1,683,309,449
Retained Earnings	1,382,226,024.00	1,308,239,058.00	9,661,924,999	7,541,068,972

The Group posted a higher consolidated net income of ₱1,784.6 million for the six months ended June 30, 2013, compared to ₱1,683.3 million for the same period in 2012.

₱32.0 million (13%) Increase in Revenues
Consolidated total revenues amounted to ₱287.2 million and ₱255.3 million for the six months ended June 30, 2013 and 2012, respectively, significantly from mostly relating to rental and other income from Alphaland Southgate Tower. The favorable growth in revenues is on account of higher occupancy rate coupled by fixed escalation of rental fees during the current period.

₱75.9 million (33%) Increase in Costs and Expenses
Increase from ₱229.1 million in prior period to ₱305.0 million, in current period is mainly due to higher operating expenses (largely utilities, security and janitorial expenses) of Alphaland Southgate Tower associated with increased tenancy, and higher taxes paid on recognized gain on sale of AFS investments reflecting strong take up of the Group's secondary sale of The City Club and Balesin Island Club preferred shares.

₱28.1 million (1%) Increase in Other Income
Increase from ₱2,078.0 million in prior period to ₱2,106.1 million, in current period is mainly due to higher gain on sale of AFS investments offset by lower gain on fair value of investment properties and higher interest expense on loans.

Financial Condition

	As of June 30, 2013 (Unaudited)	As of December 31, 2012 (Audited and As restated)	As of December 31, 2011 (Audited and As restated)
Total Assets	56,766,663,442	51,440,575,175	33,553,747,006
Total Liabilities	17,729,792,748	15,919,249,330	9,215,961,339
Total Equity	39,036,870,694	35,521,325,845	24,337,785,667

Total assets of the Group grew by ₱5,326.1 million or 10%, from ₱51,440.6 million as of December 31, 2012 to ₱56,766.7 million as of June 30, 2013.

₱376.5 million (92%) Increase in Cash and Cash Equivalents
Increase from ₱408.0 million to ₱784.5 million is brought about by the loan drawdown of AMTI and ABIRC amounting to ₱102.0 million and ₱500.0 million, respectively, during the second quarter.

₱266.2 million (123%) Increase in Trade and Other Receivables
Increase from ₱217.0 million to ₱483.2 million came primarily from installment sales of AFS investments comprised of Balesin Island Club and City Club preferred shares during the period.

₱126.1 million (11%) Increase in Land and Development Costs
Projects classified under this account pertain to the Group's proportionate interest in Alphaland Makati Place and Alphaland Tower projects, which are intended for sale. Increase from ₱1,171.4 million to ₱1,297.5 million is on account of substantial progress in their construction and development of the projects.

₱223.2 million (125%) Increase in Advances to Related Parties
Increase in advances to related parties is attributable to the development costs relating to expansion of the Island Club facilities that were charged to ABICI. Development costs incurred by ABIRC in excess of its commitment under the Development Agreement for the construction of the Island Club is for the ABICI.

₱240.8 million (14%) Increase in Other Current Assets
Increase in other current assets is primarily due to increase in advances to contractors pertaining to on going construction projects.

₱1,812.5 million (7%) Increase in AFS Investments
Net increase in AFS Investments is primarily due to appreciation of fair market values of shares. The Group establishes the fair value of the preferred shares in inventory using the recent arm's length market transactions, which is the Group's transacted selling price to third parties.

₱1,779.1 million (16%) Increase in Investment Properties
Under this account are completed properties and properties under construction held to earn rentals or for capital appreciation, or both. Increase from ₱11,019.1 million to ₱12,672.1 million represents actual project development expenditures and fair value appreciation of investment properties during the period.

Total liabilities of the Group amounted to ₱17,729.8 million and ₱15,919.3 million as of June 30, 2013 and December 31, 2012, respectively.

₱728.5 million (18%) Decrease in Trade and Other Payables
Decrease from ₱3,978.1 million to ₱3,249.6 million is primarily on account of payment of obligations related to the construction of the Group's projects during the period.

₱2,000.0 million (100%) Decrease in Loans Payable
On May 2013, the ₱2,000.0 million ABIRC's outstanding loans payable with Bank of Commerce was refinanced by a long-term loan under the P3.0 Billion OLSA facility with the same bank.

₱3,177.9 million (73%) Increase in Long-term Debt - net of deferred financing costs
In 2013, AMTI made additional loan drawdowns in the total amount of ₱778.0 million, against its ₱2,400.0 million syndicated loan facility for the construction of the Alphaland Tower. These loan drawdowns were partially offset by ADI's principal loan repayments totaling to ₱48.9 million during the current year. ABIRC also made a drawdown amounting to ₱500.0 million in its new long term loan facility of ₱3,000.0 million with BOC.

Total equity of the Group jumped by 10% or by ₱3,515.5 million, from ₱35,521.3 million as of December 31, 2012 to ₱39,036.9 million as of June 30, 2013.

₱1,730.9 million (11%) Increase in Unrealized Gains on AFS Investments
The significant increase is brought about by the increase in fair market value of the Balesin Island Club preferred shares.

₱1,784.8 (23%) Increase in Retained Earnings
The increase is brought about by the net income of the Group during the current period in the amount of ₱1,784.8 million.

Discussion and Analysis of Material Events and Uncertainties

As of reporting date:

There are no material events and uncertainties known to management that would have impact or change in the reported financial information and condition of the Group.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increases or decreases in the Group's liquidity in any material way. The Group does not anticipate having any cash flow or liquidity problems. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

The Group has no unusual nature of transactions or events affecting assets, liabilities, equity, net income or cash flows.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

There were no material events subsequent to the end of the year that have not been reflected in the Group's consolidated financial statement for the six months ended June 30, 2013.

There were no changes in estimates of amount reported in the current financial period or changes in estimates of amounts reported in prior financial years.

Comparative Key Performance Indicators

Key Performance Indicator	Manner of Calculation	June 30, 2013 (Unaudited)	June 30, 2012 (Unaudited and As Restated)	December 31, 2012 (Audited and As restated)	December 31, 2011 (Audited and As restated)
Debt to equity ratio	Interest-bearing debt over shareholders' equity	0.19 :1.00	0.15 :1.00	0.18 :1.00	0.12 :1.00
Net debt to equity ratio	Interest-bearing debt less cash and cash equivalents over shareholders' equity	0.17 :1.00	0.14 :1.00	0.17 :1.00	0.08 :1.00
Return on assets	[illegible] total assets during the period	3.95%	4.69%	7.85%	11.54%
Return on equity	Net income over average stockholders' equity during the period	5.63%	6.46%	11.37%	15.91%

Financial Risk Management Objectives and Policies

The Board of Directors ("BOD") has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has exposure to equity price risk, credit risk, interest rate risk and liquidity risk from the use of its financial instruments. The Group's exposure to foreign currency risk is minimal as it does not normally enter into transactions in currencies other than its functional currency. The BOD reviews and approves the policies for managing each of these risks.

Equity Price Risk

The Group's exposure to equity price pertains to its investment in quoted ordinary shares, which is classified as AFS investment in the consolidated balance sheets. Equity price risk arises from the changes in the levels of equity indices and value of individual stocks traded in the stock exchange. The effect of possible change in equity indices on the Group's equity is minimal.

Credit Risk

The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the Parent Company, the Group does not offer credit terms without the specific approval of the Chief Finance Officer.

With respect to credit risk arising from the other financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades with recognized third parties and related parties, there is no requirement for collateral. There are no other concentrations of credit risk within the Group.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's exposure to interest rate risk relates primarily to its financial instruments with floating interest and/or fixed interest rates. Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk. Re-pricing of floating rate financial instruments is done every three to six months. Interest on fixed rate financial instruments is fixed until maturity of the instrument.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt subject to floating interest rates. The other financial instruments of the Group are noninterest-bearing and, therefore, not subject to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. In addition, management oversees liquidity and funding risks, and related processes and policies. The Group manages its liquidity risk based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The Group also maintains a balance between continuity of funding and flexibility. The policy of the Group is to first exhaust lines available from affiliated companies before local bank lines are availed of. The Group seeks to manage its liquid funds through cash planning on a weekly basis. The Group uses historical figures and experiences and forecasts from its collections and disbursements. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities. Also, the Group only places funds in the money market, which are exceeding the Group requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

PART II - OTHER INFORMATION

There are no disclosures not reported under SEC Form 17-C.

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 on August 14, 2013.

Issuer: **ALPHALAND CORPORATION**

Marriana H. Yulo
Chief Finance Officer

ALPHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2013 (Unaudited)	June 30, 2012 (Unaudited and As Restated)	December 31, 2012 (Audited and As restated)	December 31, 2011 (Audited and As restated)
Current Assets				
Cash and cash equivalents	784,489,147	491,241,925	408,028,599	975,049,793
Trade and other receivables	483,181,590	276,535,097	216,976,956	167,723,644
Land and development	1,297,500,619	834,799,663	1,171,426,541	685,887,592
Advances to related parties	401,040,459	93,824,306	177,873,041	58,990,468
Current portion of available-for-sale (AFS) investments	1,430,318,831	-	1,166,318,831	-
Other current assets	1,904,331,651	2,255,768,728	1,663,510,058	1,800,261,128
	6,300,862,297	3,952,169,719	4,804,134,026	3,687,912,625
Noncurrent Assets				
Investments in and advances to associates	1,076,102,841	1,084,046,045	1,074,730,895	928,511,430
Investment in a joint venture	10,877,502,472	9,903,060,967	10,146,148,598	9,415,491,718
AFS investments- net of current portion	24,964,545,559	12,626,225,000	23,416,045,559	10,747,425,000
Investment properties	12,672,078,188	10,238,054,748	11,019,053,538	8,294,784,798
Property and equipment	255,967,474	299,047,439	296,881,321	351,201,224
Other noncurrent assets	619,604,611	79,107,254	683,581,238	128,420,211
	50,465,801,145	34,229,541,453	46,636,441,149	29,865,834,381
TOTAL ASSETS	**56,766,663,442**	**38,181,711,172**	**51,440,575,175**	**33,553,747,006**
Current Liabilities				
Trade and other payables	3,249,605,892	2,485,080,177	3,978,060,617	2,832,832,583
Loans payable	-	793,000,000	2,000,000,000	-
Current portion of long-term debt	336,692,264	212,500,200	229,978,734	193,750,100
Current portion of customers' deposits	11,864,294	17,153,694	13,745,480	19,551,074
Advances from related parties	875,438,709	-	9,993,378	-
	4,473,601,159	3,507,734,071	6,231,778,209	3,046,133,757
Noncurrent Liabilities				
Long-term debt - net of current portion and deferred financing	7,220,176,186	3,286,682,116	4,148,994,373	2,833,716,202
Customer's deposits - net of current portion	83,368,607	74,342,406	77,839,279	57,995,948
Retirement benefit obligation	27,562,895	12,588,459	21,719,332	10,032,206
Deferred tax liabilities	4,779,104,434	3,436,623,172	4,286,981,695	2,822,623,462
Obligation under finance lease - net of current portion	1,800,440	3,164,351	2,503,384	3,790,556
Other noncurrent liability	1,144,179,027	73,757,700	1,149,433,058	441,669,208
	13,256,191,589	6,887,158,204	9,687,471,121	6,169,827,582
Total Liabilities	**17,729,792,748**	**10,394,892,275**	**15,919,249,330**	**9,215,961,339**
Equity attributable to equity holders of the Parent				
Capital stock - P1 par value	1,838,370,551	1,838,370,551	1,838,370,551	1,838,370,551
Additional paid-in capital	9,672,052,401	9,672,052,401	9,672,052,401	9,672,052,401
Unrealized gains on AFS investments	18,019,060,363	8,895,558,714	16,288,147,877	7,129,834,932
Excess of acquisition price over acquired interest	(159,018,215)	(159,018,215)	(159,018,215)	(159,018,215)
Retained earnings	9,661,924,999	7,541,068,972	7,877,158,584	5,857,759,524
	39,032,390,099	27,788,032,423	35,516,711,198	24,338,999,193
Less cost of 423,900 shares in treasury	(1,213,526)	(1,213,526)	(1,213,526)	(1,213,526)
	39,031,176,573	27,786,818,897	35,515,497,672	24,337,785,667
Non-controlling interest	5,694,121	-	5,828,173	-
Total Equity	**39,036,870,694**	**27,786,818,897**	**35,521,325,845**	**24,337,785,667**
TOTAL LIABILITIES AND EQUITY	**56,766,663,442**	**38,181,711,172**	**51,440,575,175**	**33,553,747,006**

ALPHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the 2nd Quarter Ended		For the Six Months Ended	
	June 30, 2013	June 30, 2012 (As Restated)	June 30, 2013	June 30, 2012 (As Restated)
REVENUES				
Rent	**83,580,946**	77,992,925	**164,326,654**	147,880,162
Others	**60,980,332**	58,225,346	**122,890,229**	107,371,281
	144,561,278	136,218,271	**287,216,883**	255,251,443
COSTS AND EXPENSES	**158,760,292**	127,655,018	**305,022,716**	229,089,315
OTHER INCOME (EXPENSES)				
Gain on fair value change of investment properties	**878,868,001**	1,013,566,443	**956,984,705**	1,374,175,460
Gain on sale of AFS investments	**335,361,364**	128,060,587	**480,063,903**	249,004,687
Interest expense and other finance charges	**(35,447,817)**	(30,855,454)	**(66,893,963)**	(46,930,596)
Interest income	**2,696,115**	6,291,390	**6,074,173**	12,192,479
Equity in net earnings of associates and a joint venture- net	**486,159,363**	490,122,280	**729,926,656**	489,553,460
Foreign exchange gain (loss) - net	**(93,102)**	(20,846)	**(25,731)**	(21,353)
	1,667,543,924	1,607,164,400	**2,106,129,743**	2,077,974,137
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	**1,653,344,910**	1,615,727,653	**2,088,323,910**	2,104,136,265
PROVISION FOR INCOME TAX				
Current	**1,971,150**	1,740,863	**3,892,419**	3,157,526
Deferred	**269,180,067**	305,747,732	**299,799,128**	417,669,290
	271,151,217	307,488,595	**303,691,547**	420,826,816
NET INCOME FROM CONTINUING OPERATIONS	**1,382,193,693**	1,308,239,058	**1,784,632,363**	1,683,309,449
INCOME FROM DISCONTINUED OPERATIONS	**-**	-	**-**	-
NET INCOME	**1,382,193,693**	1,308,239,058	**1,784,632,363**	1,683,309,449
OTHER COMPREHENSIVE INCOME				
Unrealized valuation gains on AFS investments	**1,457,838,633**	927,698,790	**1,923,236,096**	1,961,915,313
Income tax effect	**(145,783,863)**	(92,769,879)	**(192,323,610)**	(196,191,531)
	1,312,054,770	834,928,911	**1,730,912,486**	1,765,723,782
TOTAL COMPREHENSIVE INCOME	**2,694,248,463**	2,143,167,969	**3,515,544,849**	3,449,033,231
Net income attributable to:				
Equity holders of the Parent	**1,382,226,024**	1,308,239,058	**1,784,766,415**	1,683,309,449
Non-controlling interests	**(32,331)**	-	**(134,052)**	-
	1,382,193,693	1,308,239,058	**1,784,632,363**	1,683,309,449
Total comprehensive income attributable to:				
Equity holders of the Parent	**2,694,280,795**	2,143,167,969	**3,515,678,901**	3,449,033,231
Non-controlling interests	**(32,331)**	-	**(134,052)**	-
	2,694,248,464	2,143,167,969	**3,515,544,849**	3,449,033,231
Basic/Diluted Earnings Per Share				
Income from continuing operations attributable to equity holders of the Parent	**0.696**	0.659	**0.899**	0.944
Net income attributable to equity holders of the Parent	**0.696**	0.659	**0.899**	0.944

ALPHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six months ended June 30, 2013 and 2012 (Unaudited) and years ended December 31, 2012 and 2011 (Audited)

	Capital Stock	Additional Paid-in Capital	Deposit for Future Stock Subscriptions	Gain on sale of Preferred Shares of a Subsidiary	Unrealized valuation gains on AFS investments	Excess of acquisition price over carrying value of Minority Interest	Retained Earnings	Treasury Shares	TOTAL	Non-controlling Interests	TOTAL EQUITY
Balances at December 31, 2010	**1,429,220,287**	**5,998,700,015**	**2,147,819,426**	**2,559,163**	**1,000,000**	**(159,018,215)**	**3,921,710,715**	**(1,213,526)**	**13,340,777,865**	**3,891,238**	**13,344,669,103**
Subscription - net of subscriptions receivable of 1,472.8 million	1,000,000	-	-	-	-	-	-	-	**1,000,000**	-	**1,000,000**
Conversion of deposits for future stock subscriptions into common stock	408,150,264	3,673,352,386	(4,081,502,650)	-	-	-	-	-	**-**	-	**-**
Deposits for future stock subscriptions	-	-	1,933,683,224	-	-	-	-	-	**1,933,683,224**	-	**1,933,683,224**
Effect of deconsolidation	-	-	-	(2,559,163)	1,354,123,362	-	-	-	**1,351,564,199**	(3,891,238)	**1,347,672,961**
Total comprehensive income	-	-	-	-	5,774,711,570	-	1,936,048,809	-	**7,710,760,379**	-	**7,710,760,379**
Balances at December 31, 2011	**1,838,370,551**	**9,672,052,401**	**-**	**-**	**7,129,834,932**	**(159,018,215)**	**5,857,759,524**	**(1,213,526)**	**24,337,785,667**	**-**	**24,337,785,667**
Total comprehensive income	-	-	-	-	1,765,723,782	-	1,683,309,449	-	**3,449,033,231**	-	**3,449,033,231**
Balances at June 30, 2012	**1,838,370,551**	**9,672,052,401**	**-**	**-**	**8,895,558,714**	**(159,018,215)**	**7,541,068,973**	**(1,213,526)**	**27,786,818,898**	**-**	**27,786,818,898**
Increase in non-controlling interest	-	-	-	-	-	-	-	-	**-**	6,000,000	**6,000,000**
Total comprehensive income	-	-	-	-	7,392,589,163	-	336,089,611	-	**7,728,678,774**	(171,827)	**7,728,506,947**
Balances at December 31, 2012	**1,838,370,551**	**9,672,052,401**	**-**	**-**	**16,288,147,877**	**(159,018,215)**	**7,877,158,584**	**(1,213,526)**	**35,515,497,672**	**5,828,173**	**35,521,325,845**
Total comprehensive income	-	-	-	-	1,730,912,486	-	1,784,766,415	-	**3,515,678,901**	(134,052)	**3,515,544,849**
Balances at June 30, 2013	**1,838,370,551**	**9,672,052,401**	**-**	**-**	**18,019,060,363**	**(159,018,215)**	**9,661,924,999**	**(1,213,526)**	**39,031,176,573**	**5,694,121**	**39,036,870,694**

ALPHALAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended		Year Ended	
	June 30, 2013 (Unaudited)	**June 30, 2012** (Unaudited and As restated)	**December 31, 2012** (Audited and As restated)	**December 31, 2011** (Audited and As restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax from continuing operations	2,088,323,910	2,313,094,516	2,788,117,752	2,658,823,557
Income from discontinued opdations	-	-	-	18,409,725
Income before income tax	**2,088,323,910**	**2,313,094,516**	**2,788,117,752**	**2,677,233,282**
Adjustments for:				
Gain on fair value change of investment properties	(956,984,705)	(2,070,702,960)	(2,454,298,860)	(2,356,792,867)
Gain on sale of AFS investments	(480,063,903)	(249,004,687)	(329,259,178)	(208,631,416)
Interest expense and other financing charges	66,633,174	46,930,596	123,392,861	71,406,981
Depreciation and amortization	21,686,211	22,209,429	44,530,696	15,477,187
Interest income	(6,074,173)	(12,192,479)	(31,549,489)	(44,887,264)
Equity in net earnings of associates - net	(729,926,656)	(1,984,212)	8,339,947	(48,567)
Unrealized foreign exchange gains	25,731	21,353	228,945	(53,223)
Loss on sale of an investment	-	-	-	1,298,081
Gain on loss of control	-	-	-	(8,939,415)
Amortization of customers' deposit	-	-	-	(2,496,539)
Operating income before working capital changes	**3,619,589**	**48,371,556**	**149,502,674**	**143,566,240**
Provision for impairment losses on trade receivables	-	-	1,147,070	-
Decrease (increase) in:				
Trade and other receivables	107,857,233	(225,750,031)	52,258,243	22,149,584
Land and development	(115,566,191)	(146,008,783)	(467,520,706)	-
Other current assets	(186,809,999)	(458,318,986)	163,478,001	(1,297,768,626)
Increase (decrease) in:				
Trade and other payables	(1,936,765,395)	(353,100,588)	(1,411,427,557)	(787,480,962)
Retirement benefit obligation	5,843,563	2,556,253	11,687,126	5,112,506
Customers' deposits	3,648,142	13,949,078	14,037,737	25,030,807
Net cash used for operating activities	**(2,118,173,058)**	**(1,118,301,501)**	**(1,486,837,412)**	**(1,889,390,451)**
Interest received	7,310,299	13,649,302	30,924,875	44,887,264
Net cash flows used in operating activities	**(2,110,862,759)**	**(1,104,652,199)**	**(1,455,912,537)**	**(1,844,503,187)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of:				
Property and equipment	(3,037,394)	(46,065,208)	(97,397,024)	(137,796,827)
AFS investments	-	-	(394,600)	-
Decrease (increase) in:				
Investment properties	(598,607,496)	(428,233,543)	(1,633,876,436)	(972,890,166)
Investments in and advances to associates	(2,799,165)	(153,550,405)	(154,559,412)	(170,991,997)
Other noncurrent assets	62,710,758	48,061,167	(557,670,995)	(85,692,111)
Decrease in cash as a result of amendment in standard	-	-	(100)	(5,225)
Proceeds from sale of AFS investments	1,345,924,284	449,197,468	342,569,217	419,833,367
Proceeds from sale of an investment	-	-	-	124,157,782
Cash of subsidiaries disposed, net of proceeds from sale	-	-	-	(14,142,500)
Cash acquired from business combination	-	-	6,000,000	-
Net cash flows from (used in) investing activities	**804,190,987**	**(130,590,521)**	**(2,095,329,350)**	**(837,527,677)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of:				
Loans payable	(2,000,000,000)	793,000,000	2,000,000,000	-
Long-term debt	2,280,000,000	514,000,000	2,689,501,200	1,568,297,885
Payments of :				
Interest and other finance charges	(68,569,455)	(108,492,780)	(265,505,447)	(99,611,636)
Loans payable	-	-	-	(128,000,000)
Long-term debt	893,220,482	(43,750,000)	(1,343,016,019)	(137,499,100)
Finance lease	(480,356)	(555,666)	(1,142,232)	(1,016,537)
Deposits for future stock subscriptions	-	-	-	1,000,000
Net changes in accounts with related parties	642,277,913	(34,833,841)	(108,192,100)	(37,265,669)
Movement in other noncurrent liabilities	(5,254,031)	(367,911,508)	49,462,869	76,622,048
Subscription of capital stock	-	-	-	1,933,683,224
Net cash flows from (used in) financing activities	**1,741,194,553**	**751,456,205**	**3,021,108,271**	**3,176,210,215**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(25,731)	(21,353)	(228,945)	53,223
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	434,497,050	(483,807,868)	(530,362,561)	494,232,574
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash and cash equivalents	408,028,599	975,049,793	975,049,793	566,642,921
Restricted cash	127,046,835	-	90,388,202	4,562,500
	535,075,434	975,049,793	1,065,437,995	571,205,421
CASH AND CASH EQUIVALENTS AT END OF YEAR				
Cash and cash equivalents	784,489,147	491,241,925	408,028,599	975,049,793
Restricted cash	185,083,337	-	127,046,835	90,388,202
	969,572,484	**491,241,925**	**535,075,434**	**1,065,437,995**

Notes to Consolidated Financial Statements

1. Cash and Cash Equivalents

	June 30, 2013	December 31, 2012 (As restated)	December 31, 2011 (As restated)
Cash on hand and in banks	339,289,147	310,837,154	226,141,948
Short-term placements	445,200,000	97,191,445	748,907,845
	784,489,147	408,028,599	975,049,793

Cash in banks earn interest at the respective bank deposit rates. Short-term placements are made for varying periods of up to three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term placement rates.

Interest income earned related to cash and cash equivalents amounted to ₱5.4 million and ₱5.9 million for the six months ended June 30, 2013 and 2012, respectively.

2. Trade and Other Receivables

	June 30, 2013	December 31, 2012
Trade receivables from:		
Sale of club shares- net of noncurrent portioı	389,580,238	124,375,164
Tenants	60,841,761	52,467,075
Officers and employees	35,027,036	43,640,972
Others	3,584,640	2,345,830
	489,033,675	222,829,041
Less allowance for impairment losses	(5,852,085)	(5,852,085)
	483,181,590	216,976,956

Receivables from tenants are noninterest-bearing and are generally on a 30 to 90 day term. Receivables from sale of club shares are noninterest-bearing with terms ranging from one to three years. Noncurrent portion of trade receivables from sale of club shares is presented under “Other noncurrent assets” account in the consolidated balance sheets.

Receivables from officers and employees and other receivables arise in relation to the Group’s operations and are noninterest-bearing. Receivables from officers and employees are only in the normal course of business and are subject to liquidation and other receivables will be settled within one year.

Provision for impairment losses pertains to receivables from several lessees of ADI that are more than 90 days past due and impaired.

3. Land and Development Costs

Movements in land and development costs are as follows:

	June 30, 2013	December 31, 2012
Balance at beginning of year	1,171,426,541	685,887,592
Additions:		
Development costs	115,566,191	467,520,706
Capitalized borrowing costs	10,507,887	18,018,243
Transfer from investment properties	-	-
Balance at end of year	1,297,500,619	1,171,426,541

The details of the account are as follows:

	June 30, 2013	December 31, 2012
Alphaland Makati Place	995,272,173	913,880,042
Alphaland Tower	302,228,446	257,546,499
	1,297,500,619	1,171,426,541

Alphaland Makati Place

Alphaland Makati Place consists of three high-end residential towers atop an upscale six-storey podium, the bottom half of which is a shopping center and the top half, a City Club for urban sports and leisure.

Project cost classified as land and development costs pertains to the Group's proportionate interest in Towers One and Two of Alphaland Makati Place which are intended for sale.

In October 2011, the Group started the pre-selling of condominium units in Tower One of Alphaland Makati Place. The terms and conditions of the Contract to Sell (CTS) involve the sale of one condominium unit and one City Club share, i.e., a preferred share of TCCAMPI, in which ownership of the unit and the City Club share are inseparable. Under the CTS, the components are sold under a single selling price with downpayment payable upon signing of the CTS and the unpaid balance payable in monthly installments for a period of three years from date of CTS. Ownership of the City Club share will allow the buyer to enjoy the amenities and facilities of the City Club.

On December 5, 2011, the Housing and Land Use Regulatory Board (HLURB) issued a temporary License to Sell (LTS) to AMPI for the sale of condominium units in Tower One of Alphaland Makati Place. The permanent LTS was issued on October 9, 2012.

For the six months ended June 30, 2013 and twelve months ended December 31, 2012, interests and amortization of deferred financing costs of the loan capitalized as part of land and development costs amounted to ₱4.9 million and ₱11.1 million, respectively, . Total estimated cost to complete the project amounted to ₱6,538.4 million as of June 30, 2013.

Alphaland Tower

Alphaland Tower is a 34-storey building and with gross floor area of 67,909 square meters. This is located along Ayala Avenue and will be a premier high-end corporate office.

Based on current development plans, the Group has determined that upon completion of the project, 6,014 square meters and 61,895 square meters are to be sold and leased out, respectively.

For the six months ended June 30, 2013 and twelve months ended December 31, 2012, interests and amortization of deferred financing costs of the loan capitalized as part of land and development costs amounted to ₱5.6 million and ₱6.9 million, respectively.

4. **Other Current Assets**

	June 30, 2013	December 31, 2012 (As restated)	December 31, 2011 (As restated)
Input VAT - net	956,266,097	780,711,163	424,082,236
Advances to contractors and suppliers	399,609,198	112,863,758	872,577,294
Restricted cash - net of noncurrent portic	345,532,299	630,927,266	384,854,045
Deferred rent	62,001,721	55,801,505	48,856,092
CWT	39,566,218	34,312,363	23,909,859
Prepayments	54,966,122	33,969,939	22,010,265
TCCs	-	-	11,267,037
Others	46,389,996	14,924,064	12,704,300
	1,904,331,651	1,663,511,858	1,800,261,128

Input VAT
Input VAT arises from the acquisition of land and payments to suppliers and contractors for the acquisition of goods and development of the Group's projects. This can be claimed as credit against the Group's output VAT payable. The portion of input VAT which is required to be amortized over the life of the related asset or a maximum period of 60 months is recognized as part of "Other noncurrent assets" account.

Restricted Cash
Escrow Funds - Preferred Shares (2013: ₱159.2 million; 2012: ₱502.7 million). These represent funds with an escrow agent, Philippine Bank of Communications (PBCom), a related party, in compliance with Section 8E of Rule 12.1 of the Amended Implementing Rules and Regulations of the Securities Regulation Code (SRC) and in connection with AMPI and ABIRC's public offering of the preferred shares, classified under "AFS investments" account in the consolidated balance sheets. The proceeds from the sale of preferred shares shall only be disbursed in portions upon written instructions of AMPI and ABIRC for the purpose of paying direct costs incurred to sell the preferred shares. The release shall be in accordance with the percentage of completion of the City Club and Island Club. The escrow account shall be closed upon completion of the construction of the City Club and Island Club by AMPI and ABIRC, respectively.

Debt Service Reserve Account (DSRA) (2013: ₱185.1 million; 2012: ₱127.0 million). Under the Omnibus Loan and Security Agreement (OLSA), ADI, AMPI, AMTI and ABIRC (collectively, the Borrowers) are required to maintain a DSRA for the security of interest and/or principal repayments to the lenders. The Borrowers are required to deposit cash to the DSRA equivalent to the upcoming interest and/or principal repayment.

Escrow Funds - Environmental Funds (2013: ₱1.2 million; 2012: ₱1.2 million). These represent environmental funds deposited with PBCom, a related party, in compliance with the Environmental Compliance Certificate issued to ABIRC relating to the rehabilitation of the Project-affected area throughout the construction and maintenance of the Island Club. The funds shall be replenished annually.

Advances to Contractors and Suppliers
Advances to contractors and suppliers are considered as nonfinancial instruments as these will be applied against future billings from contractors normally within one year. Advances to contractors and suppliers, relating to the portion of the project that is classified as investment property and to advance payments that will be applied against future billings beyond 12 months from the reporting date are presented under "Other noncurrent assets" account in the consolidated balance sheet.

Prepayments
Prepayments include prepaid rent, insurance and commissioning fees.

5. Investments in and Advances to Associates

	June 30, 2013	December 31, 2012
Investments in associates	89,037,460	86,464,679
Advances to associates	987,065,381	988,266,216
	1,076,102,841	1,074,730,895

Details of investments in associates are as follows:

	June 30, 2013	December 31, 2012
Acquisition costs:		
Balances at beginning of period	60,533,730	60,533,730
Additions	4,000,000	-
Balances at end of period	64,533,730	60,533,730
Accumulated equity in net income:		
Balances at beginning of period	25,930,949	34,270,896
Equity in net income (losses) during th	(1,427,219)	(8,339,947)
Balances at end of period	24,503,730	25,930,949
	89,037,460	86,464,679

Details of investments in and advances to associates are as follows:

	June 30, 2013		December 31, 2012	
	Investments	Advances	Investments	Advances
Shang Global City Properties Inc. (SGCPI)*	34,685,805	494,121,776	35,243,640	494,121,776
Fort Bonifacio Shangri-La Hotel, Inc. (FBSHI)*	3,648,884	485,378,224	3,978,377	485,378,224
Alphaland Heavy Equipment Corporation (AHEC)	40,484,450	5,052,803	40,213,373	8,693,569
Alphaland Ukiyo Inc. (AUI)	2,399,577	532,030	3,245,996	44,490
Alphaforce Security Agency Inc. (ASAI)	7,818,744	1,980,548	3,783,293	28,158
	89,037,460	987,065,381	86,464,679	988,266,217

**Advances are intended for future stock subscription* -

The following are the associates of the Group:

		Percentage of Ownership	
Company	Principal Activities	June 30, 2013	December 31, 2012
SGCPI	Real property development	20%	20%
FBSHI	Real property development	20%	20%
AHEC	Sale and lease of heavy equipment	50%	50%
AUI	Restaurant	50%	50%
ASAI	Security Agency	40%	40%

All associates are incorporated in the Philippines.

SGCPI

SGCPI, 20%-owned by ADI, was incorporated and registered with the Philippine SEC on December 13, 2007, primarily to acquire by purchase and to own, use, improve, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds, whether to improve, manage, or otherwise dispose of said properties together with their appurtenances.

FBSHI

FBSHI, 20%-owned by ADI, was incorporated and registered with the Philippine SEC on February 15, 2008, primarily to own, carry, operate conduct and engage in hotel business, high and low residential condominium/apartment development and related business and, for this purpose, to purchase or own any interest in real property (except land) and personal property of all kinds. SGCPI and FBSHI entered into an unincorporated joint venture agreement for the construction of a six-star hotel and high-end development at SGCPI's land property in Bonifacio Global City, Taguig, Metro Manila, to be known as Shangri-La at the Fort. It will be a mixed-use business, hospitality, residential and retail tower, envisioned as the new flagship luxury development in the Shangri-La portfolio. Shangri-La at the Fort is planned to commence operations by year 2014.

AHEC

In January 2010, ADI subscribed to 125,000 common shares of AHEC representing 50% of the outstanding shares of AHEC. AHEC is 50% owned by ADI and 50% owned by Fabricom-XCMG Phils., Inc. Its purpose is to purchase, import, or otherwise acquire, as well as to lease (except financial leasing), sell, distribute, market, convey, or otherwise dispose heavy equipment, machinery and related implements. AHEC's target markets are the local government units and private entities, among them are ADI and ABIRC, with big infrastructure projects and construction requirements. In 2012 and 2011, AHEC sold several units of heavy equipment to ADI and ABIRC for their development projects in Caticlan and Balesin, respectively. Management has plans to cease the operations of AHEC in 2013.

AUI

On March 15, 2011, ADI subscribed to 4,999,988 common shares of AUI representing 50% of the outstanding shares of AUI. Its purpose is to establish, maintain and operate restaurants, coffee shops, refreshment parlors and cocktail lounge.

ASAI

ASAI is 40%-owned by ALPHA and was incorporated and registered with the Philippine SEC on March 18, 2011 primarily engaged in the business of providing security and investigation services to private institutions and government organizations for the purpose of protecting lives and properties.

6. **AFS Investments**

	June 30, 2013	December 31, 2012
Unquoted Clubs' preferred shares:		
Alphaland Balesin Island Club Inc. (ABICI)	20,366,000,000	18,534,000,000
TCCAMPI	4,102,000,000	4,121,000,000
AMCI	1,909,364,390	1,909,364,390
Quoted -		
WackWack Golf and Country Club, Inc. (WackWack)	17,500,000	18,000,000
	26,394,864,390	24,582,364,390

The rollforward analysis of the account is as follows:

	June 30, 2013	December 31, 2012
Balance at beginning of year	10,747,425,000	10,747,425,000
Effect of deconsolidation	-	
Sale of AFS investments	11,724,302,117	(447,062,823)
Fair value adjustments	2,403,299,999	10,505,234,671
Additional Subscriptions	1,519,837,274	3,776,767,542
Balance at end of year	26,394,864,390	24,582,364,390

The preferred shares held by the Group are not required to gain control of the Clubs and are intended to be disposed of over time to third parties, the proceeds of which will be used to raise funding for the construction of the club facilities which AMPI, ABIRC and AMC committed to deliver to TCCAMPI, ABICI and AMCI, respectively. The preferred shareholders are entitled to name one nominee per share to become a member and avail of the amenities and facilities of the Clubs. They are not entitled to vote and be voted for in all meetings of the shareholders of the Clubs. The preferred shares have preference over the issuer's common shares in the distribution of assets in case of dissolution and liquidation.

Liability Related to Acquisition of AFS Investments
The cost of the Group's investments in the preferred shares of TCCAMPI, ABICI and AMCI includes the cash consideration and the cost of the obligation to deliver as incurred and to complete the Clubs' facilities.

a. ABICI
On February 10, 2011, ALPHA, ABIRC and ABICI entered into a Development Agreement (DA) for the development and construction of a resort club (the "Island Club"). It is agreed that ABIRC will develop and construct the Island Club with ALPHA extending any financing required for the completion of the Island Club and its amenities in exchange for the ABICI shares.

It was clarified that, in consideration for the Island Club's construction, ABICI agrees that the excess of the construction costs over the par value of the shares issued by ABICI shall be treated as additional paid-in capital as cost is incurred. Furthermore, it was clarified that the ownership of the Island Club, its facilities and amenities will be transferred to ABICI as cost is incurred.

On February 24, 2011, the Philippine SEC approved ABICI's Registration Statement on the Island Club Offer Shares for the primary offering of 391 of its Class "B" preferred shares and secondary offering of its Class "B" preferred shares (Offer Shares). ABICI has filed in 2012 an amended Registration Statement to increase its offer price, which is still subject for approval by the SEC.

In 2012, ABIRC has subscribed to additional Class "B" preferred shares of ABICI totaling 3,090 shares. As a consideration for the additional acquisitions of ABICI preferred shares, ABIRC entered into a Supplemental DA with ABICI in June 2012 increasing its obligation to complete the Island Club's facilities. By virtue of these additional subscriptions, ABIRC transferred investment properties to ABICI amounting to ₱453.3 million and the liability related to the acquisition of ABICI shares increased by ₱1,414.0 million. As of December 31, 2012, the Island Club is substantially completed and is already operational. Expansion projects to increase the number of villas are expected to be completed within the third quarter of 2013.
On November 12, 2012, the shareholders of ABICI approved an amendment to ABICI's shareholder structure whereby 3,090 shares with par value of ₱100 were split into 6,180 shares with a par value of ₱50 per share. As a result, ABIRC's subscription to the above 3,090 ABICI shares will be converted to 6,180 shares. On January 31, 2013, the stock split was approved by the SEC.

The initial liability related to acquisition of AFS investments amounting to ₱1,834.0 million is allocated for luxury villa clusters (75%), clubhouse (11%) and utilities and other facilities (14%). As of June 30, 2013 and December 31, 2012, the liability related to the acquisition amounted to nil and ₱275.2 million, respectively.

As of June 30, 2013 and December 31, 2012, the fair value of 5,990 and 6,178 unsold shares amounted to ₱20,366.0 million and ₱18,534.0 million, respectively.

b. TCCAMPI

In October 2010, ADI, AMPI and TCCAMPI entered into a DA for the development and construction of a City Club in Alphaland Makati Place. It is agreed that ADI and/or AMPI will develop and construct the City Club with AMPI extending any financing required for its completion and amenities in exchange for the TCCAMPI shares.

In December 2010, ADI, AMPI and TCCAMPI entered into a Supplemental DA to clarify that under the DA, it is AMPI who has the primary obligation to develop and construct the City Club. Moreover, it was clarified that, in consideration for the City Club's construction, TCCAMPI agrees to convert any and all advances provided by ADI and AMPI to additional paid-in capital as cost is incurred. Furthermore, it was clarified that the ownership of the City Club, its facilities and amenities will be transferred to TCCAMPI as cost is incurred. The City Club was completed within the second quarterf of 2013.

The initial liability related to acquisition of AFS investments amounting to ₱1,190.6 million is allocated for the construction of podium and club equipment (88%) and land (12%). As of June 30, 2013 and December 31, 2012, this amounted to ₱734.6 million and ₱981.3 million, respectively, and is shown as part of "Trade and other payables" account in the consolidated balance sheets.

As of June 30, 2013 and December 31, 2012, the fair value of 4,102 and 4,121 unsold shares amounted to ₱4,102.0 million and ₱4,121.0 million, respectively.

c. AMCI

On December 3, 2012, AMC subscribed to additional 3,250 preferred shares of AMCI for a cash consideration amounting to ₱0.3 million and an obligation to develop and construct the Marina Club amounting to ₱1,908.9 million. On the same date, AMC and AMCI entered into a DA for the development and construction of the Marina Club. It is agreed that AMC will develop and construct the Marina Club with AMC extending any financing required for the completion of the Marina Club and its amenities in exchange for the AMCI shares.

On the same date, AMCI filed for approval with SEC a Registration Statement on the Marina Club Offer Shares for the primary offering of 500 Class "B" preferred shares and secondary offering of 4,500 Class "B" preferred shares at an offer price of up to ₱5.0 million per share.
The DA indicates that AMC has the primary obligation to develop and construct the Marina Club. Moreover, in consideration for the Marina Club's construction, AMCI agrees to convert any and all advances provided by AMC to additional paid-in capital as AMC constructs the Marina Club. Furthermore, the ownership of the Marina Club, its facilities and amenities will be transferred to AMCI as costs are incurred.

AMC's initial liability related to acquisition of AFS investments amounting to ₱1,908.9 million is allocated for the clubhouse (49%), piers (24%), charter yachts (24%) and service fleet and equipment (3%).

As of June 30, 2013 and December 31, 2012, the Group's liability related to the acquisition of AFS investments amounted to ₱1,870.5 million and ₱1,902.3 million.

The fair value of AMCI preferred shares cannot be measured reliably due to lack of reliable estimates of fair value, thus carried at cost. As of June 30, 2013 and December 31, 2012, the fair value of 4,500 unsold shares amounted to ₱1,909.4 million.

Unrealized Valuation Gain on AFS Investments
The Group's AFS investments is marked to market using the fair value equivalent to the selling price of a recent sale to the public for the unquoted preferred shares and published price quotations in an active market for the quoted ordinary shares.

Movements in the unrealized gain on AFS investments, net of related tax effect, are as follows:

	June 30, 2013	December 31, 2012
Balance at beginning of year	16,288,147,877	7,129,834,932
Unrealized valuation gains on AFS investments	2,403,299,999	10,505,234,671
Realized mark-to-market gain	(480,063,903)	(329,259,178)
Unrealized valuation gains on AFS investments	1,923,236,096	10,175,975,493
Income tax effect	(192,323,610)	(1,017,662,548)
	1,730,912,486	9,158,312,945
Effect of deconsolidation	-	-
Balance at end of year	18,019,060,363	16,288,147,877

Receivable arising from the sale of AFS investments amounted to ₱456.9 million and ₱187.3 million as of June 30, 2013 and December 31, 2012, respectively.

As of June 30, 2013 and December 31, 2012, deposits received from buyers of club shares amounting to ₱333.0 million and ₱156.3 million, respectively, were presented under "Trade and other payables" account in the balance sheets.

7. **Investment Properties**

	June 30, 2013	December 31, 2012 (As restated)	December 31, 2011 (As restated)
Balances at beginning of period	11,019,053,538	8,294,784,798	6,561,333,453
Additions:			
Capital expenditures/ development costs	623,370,580	1,679,421,702	1,009,260,453
Capitalized borrowing costs	72,669,365	108,260,457	28,424,117
Reclassification to land and development costs	-	-	(685,887,592)
Reclassification to property and equipment	-	(27,545,229)	-
Reclass from receivable to investment property	-	8,365,200	-
Transfer of land to ABICI	-	(453,259,000)	-
Transfer of development costs to AMCI	-	(482,000)	-
Fair value change	956,984,705	1,409,507,610	1,381,654,367
Balances at end of period	**12,672,078,188**	**11,019,053,538**	**8,294,784,798**

Investment properties carried at fair value consist of:

	June 30, 2013	December 31, 2012 (As restated)	December 31, 2011 (As restated)
Alphaland Tower	3,691,682,509	3,233,610,968	1,645,265,975
Alphaland Southgate Tower	3,266,694,759	3,266,428,393	3,247,177,567
Alphaland Makati Place	2,741,210,704	2,332,536,420	1,393,137,986
Alphaland Balesin Island Club	2,328,158,950	1,548,179,962	1,601,011,149
Silang Property	461,386,221	460,149,368	247,925,855
Caticlan Property	182,945,045	178,148,427	159,784,266
Marina Club	-	-	482,000
	12,672,078,188	**11,019,053,538**	**8,294,784,798**

Alphaland Tower
In June 2008, ADI acquired from Sta. Lucia Land, Inc., two parcels of land measuring a total of 2,400 square meters, more or less, along Ayala Avenue, Makati City. Due to current zoning height restrictions, ADI also acquired air rights from the owner of the adjacent property for a consideration of ₱95.0 million as it plans to build a 34-storey building to be known as Alphaland Tower. Total capitalized borrowing cost for the six months ended June 30, 2013 and twelve months ended December 31, 2012 amounted to ₱57.4 million and ₱71.0 million, respectively. The property, including the project cost classified as land and development costs, currently secures the long-term debt obtained by AMTI.

Alphaland Southgate Tower
In January 2008, ADI acquired from South China Resources, Inc. and the Puyat family two parcels of land measuring a total of 9,497 square meters, more or less, at the corner of EDSA and Chino Roces Avenue in Makati City together with the existing improvements thereon. The property is now a fully developed and operational 20-storey office tower building with a 6-storey podium known as Alphaland Southgate Tower. It was declared an Information Technology Zone on January 12, 2009 by the Philippine Economic Zone Authority, pursuant to Presidential Proclamation No. 1692 dated December 22, 2008. The property secures the long-term debt of ADI.

Alphaland Makati Place
This represents the Group's proportionate interest in Podium and Tower Three of Alphaland Makati Place which is intended for lease to third parties. Total capitalized borrowing cost for the six months ended June 30, 2013 and twelve months ended December 31, 2012 amounted to ₱16.5 million and ₱37.2 million, respectively. The property, including the project cost classified as land and development costs, currently secures the long-term debt obtained by AMPI.

Alphaland Balesin Island Club
ABIRC acquired approximately 394 hectares of land in Balesin Island, Polillo, Quezon. As of December 31, 2012, the lots in Balesin Island secure the loans payable obtained by ABIRC on March 29, 2012. Additional 6 hectares were also acquired via land-for-share swaps with existing Balesin Island landowners. This brings the total land ownership to 406 hectares. Of this total, approximately 91 hectares was transferred to ABICI.

Silang Property
ADI's three parcels of land in Silang, Cavite, measuring a total of 300,000 square meters, more or less, is reserved for future development.

Caticlan Property
On December 3, 2010, ADI entered into a DA with Akean Resorts Corporation to develop a 500-hectare property in the northern tip of the municipalities of Malay and Nabas, both in Aklan, which faces Boracay Island, one of the world's best beach resort islands. ADI aims to transform this prime property into a high-end mixed-use resort complex anchored by a Polo and Country Club as well as water recreational activities, which will later be called Alphaland Boracay Gateway

Country Club. ADI will develop the property in time for the opening of the proposed Caticlan International Airport. ADI completed the master plan including the site development of the first phase of the project.

Alphaland Marina Club

Alphaland Marina Club is the centerpiece of the Alphaland Bay City. The Club is envisioned to provide world-class facilities for about 300 yachts, including several megayachts.

The fair values of the investment properties (including properties held for lease in 2011) were based on the valuation performed by an independent appraiser using Market Data Approach for the land and Cost Approach for the improvements. Market Data Approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element. Cost Approach involves the estimate of the reproduction cost of the improvements based on prevailing cost of labor, materials, contractor's fee and other costs necessary to build the improvements. Depreciation brought about by physical wear and tear, functional obsolescence and economic obsolescence are deducted to arrive at the market value of improvements. In 2013 and 2012, the fair value of properties held for lease, was determined using the Income Approach which involves estimating the present value of the expected future cash flows based on current market conditions in rentals occupancy rates and expected growth rate of the Group.

8. **Property and Equipment**

June 30, 2013	Leasehold Improvements	Buildings and Structures	Machinery, Equipment and Tools	Transportation Equipment	Office Furniture and Equipment	Total
Cost:						
Balances at beginning of period	4,498,300	17,199,782	381,792,260	49,945,434	13,767,592	467,203,368
Additions	-	-	1,881,429	864,000	291,964	3,037,393
Transfer to Island Club	-	-	-	-	-	-
Reclassifications	-	-	(924,307)	924,307	-	-
Balances at end of period	4,498,300	17,199,782	382,749,382	51,733,741	14,059,556	470,240,761
Accumulated depreciation and amortization:						
Balances at beginning of period	4,498,300	2,603,283	124,683,931	29,800,756	8,735,776	170,322,046
Depreciation and amortization	-	1,637,817	32,809,835	7,539,004	1,964,585	43,951,241
Transfer to Island Club	-	-	-	-	-	-
Reclassifications	-	-	275,258	(275,258)	-	-
Balances at end of period	4,498,300	4,241,100	157,769,024	37,064,502	10,700,361	214,273,287
Net book values	-	12,958,682	224,980,358	14,669,239	3,359,195	255,967,474

The Group capitalized a portion of the depreciation expense amounting to ₱23.5 million as of June 30, 2013, which is related to machinery and equipment being used for the construction of the Caticlan Project and Balesin Island Club.

December 31, 2012	Leasehold Improvements	Buildings and Structures	Machinery, Equipment and Tools	Transportation Equipment	Office Furniture and Equipment	Total
Cost:						
Balances at beginning of period	4,498,300	36,110,449	366,976,182	19,671,755	13,075,934	440,332,620
Additions	-	102,725	94,351,874	714,196	2,228,230	385,863,335
Transfer to Island Club	-	(19,013,393)	(66,541,689)	-	(1,591,071)	(87,146,153)
Reclassifications	-	-	-	29,559,483	54,500	29,613,983
Balances at end of period	4,498,300	17,199,781	394,786,367	49,945,434	13,767,593	768,663,785
Accumulated depreciation and amortization:						
Balances at beginning of period	4,498,300	1,874,954	67,842,252	10,198,106	4,717,784	89,131,396
Depreciation and amortization	-	1,607,620	66,179,232	17,544,492	4,152,892	93,335,319
Transfer to Island Club	-	(879,291)	(4,052,167)	-	(145,496)	(5,076,954)
Reclassifications	-	-	-	2,058,157	10,597	2,068,754
Balances at end of period	4,498,300	2,603,283	129,969,317	29,800,755	8,735,777	179,458,515
Net book values	-	14,596,498	264,817,050	20,144,679	5,031,816	589,205,270

In 2012, the Group capitalized a portion of the depreciation expense amounting to ₱45.6 million, which is related to machinery and equipment being used for the construction.

9. **Other Noncurrent Assets**

	June 30, 2013	December 31, 2012
Advances to contractors and suppliers	486,000,902	552,591,409
Accounts receivable	67,333,852	62,970,667
Input VAT	23,675,879	27,279,241
Goodwill	23,229,684	23,229,684
Refundable deposits	14,957,126	11,384,288
Software costs - net	1,574,680	2,840,549
Others	2,832,488	3,285,400
	619,604,611	683,581,238

Refundable deposits include billing and meter deposits from Manila Electric Company (Meralco). These are refundable upon termination of the contract with Meralco.

ADI purchased computer software license amounting to nil and ₱0.1 million for the six months ended June 30, 2013 and 2012, respectively. Corresponding amortization amounted to ₱1.3 million for the six months ended June 30, 2013 and 2012.

10. **Trade and Other Payables**

	June 30, 2013	December 31, 2012
Trade	326,661,094	510,981,341
Liability related to acquisition of AFS investment	1,579,285,189	2,132,996,896
Subscription payable	523,549,500	523,549,500
Accrued expenses	150,948,990	191,730,753
Customers' deposits	333,039,288	231,671,591
Retention payable	278,342,813	343,579,175
Accrued interest	26,194,150	11,077,060
Unearned rent income	3,413,639	4,305,717
Current portion of obligation under finance lease	1,364,820	1,287,172
Others	26,806,409	26,881,412
	3,249,605,892	3,978,060,617

Trade payables are noninterest-bearing and are due for payment within 30 to 120 days.

Accrued expenses mainly pertain to accruals for development costs and general and administrative expenses. Other payables consist of government payables and nontrade payables. Accrued expenses and other payables are generally settled within one year.

11. **Loans Payable**

On March 29, 2012, ABIRC entered into a credit line agreement with BOC amounting to ₱2,000.0 million to finance the former's capital expenditures for its Island Club project. Each drawdown is payable through promissory notes issued on the same date, with maturity of up to 180 days. Interest, depending on the bank's prevailing rate on the date of each drawdown, is payable quarterly in arrears. The outstanding balance of ₱2,000.0 million was refinanced through availment of long-term OLSA with BOC.

12. **Long-term Debt**

	June 30, 2013			December 31, 2012		
Borrower	Current	Noncurrent	Total	Current	Noncurrent	Total
ADI	203,272,264	767,684,599	970,956,863	202,573,734	873,162,647	1,075,736,381
AMPI	41,170,000	1,681,376,438	1,722,546,438	19,295,000	1,709,150,134	1,728,445,134
AMTI	36,000,000	2,327,365,149	2,363,365,149	8,110,000	1,566,681,592	1,574,791,592
ABIRC	56,250,000	2,443,750,000	2,500,000,000			
	336,692,264	**7,220,176,186**	**7,556,868,450**	**229,978,734**	**4,148,994,373**	**4,378,973,107**

ADI

On September 11, 2008, ADI entered into an OLSA with the Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP) and Bank of the Philippine Islands (BPI) for a loan facility of ₱1,400.0 million for the purpose of funding the development of Alphaland Southgate Tower. On September 18, 2008, ADI made the first drawdown amounting to ₱660.0 million. The second and third drawdown amounting to ₱380.0 million and ₱360.0 million, respectively, were made on February 24, 2009 and May 25, 2009, respectively.

The loan has a term of seven years from initial drawdown date, payable in 20 consecutive quarterly installments commencing at the end of the ninth quarter from the initial drawdown date. Interest, which is based on floating rate is repriced and paid quarterly.

On May 18, 2012, ADI entered into an OLSA with BDO Unibank, Inc. for a loan facility of ₱1,187.5 million for the purpose of refinancing the existing OLSA with DBP, LBP and BPI by way of a loan take-out. The loan was drawn on June 8, 2012. The relevant terms under the refinanced loan are the same with the existing OLSA except for the term of five years.

The scheduled maturities of ADI's outstanding long-term debt as of June 30, 2013 are as follows:

2013	97,794,216
2014	218,639,927
2015	251,470,842
2016	288,073,821
2017	114,978,057
Total	970,956,863
Less current portion	203,272,264
Noncurrent portion	767,684,599

AMPI

On April 22, 2010, AMPI entered into an OLSA with DBP, LBP, BOC and Maybank Philippines, Inc. (Maybank) for a loan facility of ₱1,750.0 million exclusively for the purpose of partially financing the development, construction and operation of the Phase I of Alphaland Makati Place consisting of a six-storey podium mall, City Club and basement parking.

On June 10, 2010, AMPI made the first drawdown amounting to ₱250.0 million. On March 16, 2011 and July 6, 2011, AMPI made its second and third drawdown of ₱270.0 million and ₱330.0 million, respectively. In 2012, AMPI made its fourth and final drawdown amounting to ₱350.0 million and ₱550.0 million, respectively.

The scheduled maturities of AMPI's outstanding loan as of June 30, 2013 are as follows:

	DBP	LBP	BOC	MAYBANK	TOTAL
2013	9,375,000	6,250,000	5,000,000	1,250,000	**21,875,000**
2014	84,375,000	56,250,000	45,000,000	11,250,000	**196,875,000**
2015	215,625,000	143,750,000	115,000,000	28,750,000	**503,125,000**
2016	290,625,000	193,750,000	155,000,000	38,750,000	**678,125,000**
2017	150,000,000	100,000,000	80,000,000	20,000,000	**350,000,000**
TOTAL	**750,000,000**	**500,000,000**	**400,000,000**	**100,000,000**	**1,750,000,000**

AMPI shall fully pay and liquidate the principal amount of the loan within seven years from and after the date of the initial borrowing. Payments are to be made in 16 quarterly installments beginning at the end of the 39th month from the date of initial borrowing. Interest, which is based on floating rate is repriced and paid quarterly. The loan is secured by Alphaland Makati Place, which includes the land and buildings, structures and improvements to be constructed thereon.

<u>AMTI</u>

On October 13, 2010, AMTI, as the borrower, and ADI, as the co-borrower, entered into an OLSA with DBP, LBP, BOC and Maybank for a loan facility of ₱2,400.0 million exclusively for the purpose of partially financing the development, construction and operation of the 34-storey premium-grade office building named Alphaland Tower. On September 22, 2011 and December 22, 2011, AMTI made its first and second drawdown amounting to ₱360.0 million and ₱660.0 million, respectively. In 2012, AMTI made its third, fourth and fifth loan drawdown amounting to ₱164.0 million, ₱300.0 million and ₱138.0 million, respectively. In 2013, AMTI made its sixth, seventh and eight loan drawdown amounting to ₱406.0 million, ₱270.0 million and ₱102.0 million. Mortgaged collaterals for the loan are the land where Alphaland Tower rises and property under construction.

The scheduled maturities of AMTI's outstanding loan as of June 30, 2013 are as follows:

	DBP	LBP	BOC	MAYBANK	TOTAL
2013	4,068,750	3,417,320	5,424,234	813,750	**13,724,054**
2014	21,103,125	15,125,980	28,136,351	4,220,625	**68,586,081**
2015	47,671,875	33,543,300	63,560,585	9,534,375	**154,310,135**
2016	81,103,125	55,125,980	108,136,351	16,220,625	**260,586,081**
2017	101,568,750	68,417,320	135,424,234	20,313,750	**325,724,054**
After 2017	494,484,375	324,370,100	659,318,245	98,896,875	**1,577,069,595**
TOTAL	**750,000,000**	**500,000,000**	**1,000,000,000**	**150,000,000**	**2,400,000,000**

<u>ABIRC</u>

On May 21, 2013, ABIRC entered into an OLSA with BOC for a loan facility of ₱3,000.0 million exclusively for the purpose of partially refinancing ABIRC's outstanding obligations with BOC in the aggregate principal amount of ₱2,000.0 million, under the credit line agreement; and partially funding the capital expenditures and other general corporate expenses of ABIRC. On May 2013, ABIRC made its first drawdown amounting to ₱500.0 million. The loan facility is secured by the following: a) real estate mortgage over the lots in Balesin Island; b) Continuing Suretyship Agreement with ALPHA; and c) Pledge of shares.

ABIRC shall fully pay and liquidate the principal amount within five years from and after the date of initial borrowing. Payments are to be made in nineteen quarterly installments beginning at the end of second quarter from the date of initial borrowing. Interest, which is based on a floating rate is repriced and paid quarterly.

The scheduled maturities of ABIRC's outstanding long-term debt as of June 30, 2013 are as follows:

2013	18,750,000
2014	131,250,000
2015	381,250,000
2016	687,500,000
2017	812,500,000
2018	468,750,000
Total	2,500,000,000
Less current portion	56,250,000
Noncurrent portion	2,443,750,000

Details of deferred financing costs, presented as deduction from the Group's long-term debt are as follows:

	June 30, 2013	December 31, 2012
Balance at beginning of period	68,763,274	73,784,898
Additions	1,057,517	14,633,854
Amortization	(5,732,378)	(19,655,478)
Balance at end of period	64,088,413	68,763,274

The loan agreements of the Group contain provisions regarding establishment of debt service reserve account, maintenance of debt service coverage ratio, collateral coverage ratio and debt to equity ratio, change in business, liquidation or sale of assets, material change in ownership, declaration and payment of dividends, additional indebtedness and guarantees, negative pledge, purchase, redemption or retirement of capital stock and extension of loans, advances or subsidies to investees, directors, officers and stockholders.

The agreements also contain cross default provisions triggered by failure of the Group to comply with any term, obligation or covenant contained in any loan agreement.

As of June 30, 2013 and December 31, 2012, the Group is in compliance with all the requirements of the loan agreements.

13. **Equity**

a. Capital Stock

The composition of ALPHA's capital stock as consisting of all common shares is as follows:

	June 30, 2013	**December 31, 2012**
Authorized - 1 par value	5,000,000,000	5,000,000,000
Issued and subscribed	1,984,746,251	1,984,746,251
Treasury	(423,900)	(423,900)
Outstanding	1,984,322,351	1,984,322,351

Common shareholders are entitled to vote and be voted for in all meetings of the shareholders of ALPHA.

All common shares shall be entitled to a pro rata share, on a per share basis, in the profits of ALPHA in the event it declares any dividends in accordance with the By-Laws or applicable law and not have any pre-emptive or similar right with respect to any issuance or disposition of any shares of stock by or of ALPHA.

ALPHA was incorporated on November 19, 1990 as “Agro Plastics, Inc.”. On March 15, 1995, it changed its corporate name to “Macondray Plastics, Inc.”. On November 23, 2000, it had its initial public offering. On April 7, 2010, it changed its corporate name to “Alphaland Corporation”.

Below is a summary of the capital stock movement of the Company:

Corporate Name	Date of Approval	Increase in Authorized Capital Stock	New Subscriptions/ Issuances	Issue/ Offer Price
Agro Plastics, Inc.	November 19, 1990	10,000,000	2,500,000	1.00
Macondray Plastics, Inc.	June 1, 2000	90,000,000	30,000,000	1.00
Macondray Plastics, Inc.	November 23, 2000	–	16,740,000	5.38
Macondray Plastics, Inc. *	September 1, 2001	300,000,000	76,322,000	1.00
Macondray Plastics, Inc. *	May 27, 2009	–	25,026,900	1.00
Alphaland Corporation **	April 7, 2010	4,500,000,000	1,269,734,041	10.00
Alphaland Corporation	November 11, 2010	–	8,897,346	10.00
Alphaland Corporation ***	March 3, 2011	–	147,375,700	10.00
Alphaland Corporation	June 27, 2011	–	408,150,264	10.00

** This represents 155% and 20% stock dividend, respectively.*
*** Share-for-share swap with shareholders of ADI.*
**** Partially paid, with subscription receivable of ₱1,472.8 million.*

All of the foregoing shares are listed in the PSE, except for the shares issued on March 3, 2011 and June 27, 2011. Beginning April 7, 2010, the resulting outstanding shares do not include 423,900 shares held in treasury, which are listed and currently lodged with PCD Nominee Corporation.

The total number of shareholders, which includes PCD Nominee Corporation, as of June 30, 2013 is 41.

b. Retained Earnings
Accumulated equity in net income of associates, subsidiaries and joint ventures not available for dividend declaration amounted to ₱8,528.7 million and ₱7,798.8 million as of June 30, 2013 and December 31, 2012, respectively.

c. Treasury Shares
In accordance with the buy-back of ₱10.0 million worth of ALPHA’s shares as approved by the BOD on February 12, 2001, ALPHA bought 217,000 shares in 2009 and 4,000 shares in 2008 amounting to ₱0.7 million and ₱0.01 million, respectively.

Total cost of 423,900 treasury shares amounted to ₱1.2 million as of June 30, 2013 and December 31, 2012.

14. **Earnings per Share Computations**

Basic/diluted earnings per share on income before income from discontinued operations attributable to equity holders of the parent:

	June 30, 2013	June 30, 2012	December 31, 2012	December 31, 2011
Net income attributable to equity holders of the Parent	1,784,766,415	1,683,309,449	2,019,399,060	1,936,048,809
Less income from discontinued operations	-	-	-	12,907,072
(a) Income from continuing operations attributable to equity holders of the Parent	1,784,766,415	1,683,309,449	2,019,399,060	1,923,141,737
(b) Weighted average number of shares outstanding				
At beginning of year	1,984,746,251	1,984,746,251	1,984,746,251	461,386,202
Conversion of deposits for future stock subscriptions	-	-	-	1,194,872,581
Subscription of DMWAI	-	-	-	98,250,467
At end of year	1,984,746,251	1,984,746,251	1,984,746,251	1,754,509,250
Basic/diluted earnings per share (a/b)	0.899	0.848	1.017	1.096

Basic/diluted earnings per share on net income attributable to equity holders of the Parent:

	June 30, 2013	June 30, 2012	December 31, 2012	December 31, 2011
(a) Net income attributable to equity holders of the Par	1,784,766,415	1,683,309,449	2,019,399,060	1,936,048,809
(b) Weighted average number of shares outstanding				
At beginning of year	1,984,746,251	1,984,746,251	1,984,746,251	461,386,202
Conversion of deposits for future stock subscriptions	-	-	-	1,194,872,581
Subscription of DMWAI	-	-	-	98,250,467
At end of year	1,984,746,251	1,984,746,251	1,984,746,251	1,754,509,250
Basic/diluted earnings per share (a/b)	0.899	0.848	1.017	1.103

The Group has no dilutive potential common shares outstanding, therefore basic earnings per share is the same as diluted earnings per share.

ALPHALAND CORPORATION AND SUBSIDIARIES
Aging of Accounts Receivable
June 30, 2013

	Neither Past Due nor Impaired	Past Due but not Impaired				Impaired	Total
		1-30 days	31-60 days	61-90 days	Over 90 days		
Trade	508,768,659	1,049,311	276,661	291,199	7,370,021	(5,852,085)	511,903,766
Officers & Employee	35,027,036	-	-	-	-	-	35,027,036
Others	3,584,640	-	-	-	-	-	3,584,640
TOTAL	**547,380,335**	**1,049,311**	**276,661**	**291,199**	**7,370,021**	**(5,852,085)**	**550,515,442**

ALPHALAND CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E

Schedule A. Financial Assets

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Valued based on market quotation at end of reporting period (iii)	Income received and accrued
The Group has no FVPL as of June 30, 2013.				

(i) Each issue shall be stated separately, except that reasonable grouping, without enumeration may be made of (a) securities issued or guaranteed by the Philippine Government or its agencies and (b) securities issued by others for which the amounts in the aggregate are not more than two percent of total assets.
(ii) State the basis of determining the amounts shown in the column. This column shall be totaled to correspond to the respective balance sheet caption or captions
(iii) This column may be omitted if all amounts that would be shown are the same as those in the immediately preceding column.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Non Current	Balance at end of period
The Group has no receivables from directors, officers, employees, related parties and principal stockholders that did not arise from ordinary course of business.							

(i) Show separately accounts receivables and notes receivable. In case of notes receivable, indicate pertinent information such as the due date, interest rate, terms of repayment and collateral, if any.
(ii) If collection was other than in cash, explain.
(iii) Give reasons for write off.

Schedule C. Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

	Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected (i)	Amounts written off (ii)	Current	Non Current	Balance at end of period
1	Alphaland Development Inc. (ADI)	230,010,662	-	(45,436,024)	-	-	184,574,638	184,574,638
2	Alphaland Makati Tower Inc. (AMTI)	48,876,554	-	(48,876,554)	-	-	-	-
3	Alphaland Balesin Island Resort Corporation (ABIRC)	457,978,696	-	(10,541,627)	-	-	447,437,069	447,437,069
4	Alphaland Marina Corporation (AMC)	25,024	-	(998,306)	-	-	(973,282)	(973,282)
5	Alphaland Reclamation Corporation (ARC)	60	58,802	-	-	-	58,862	58,862
6	Digital Excel Developments Limited (DEDL)	141,118	-	-	-	-	141,118	141,118
7	Alphaland Aviation, Inc. (AAI)	12,875	116,181	-	-	-	129,056	129,056
8	Alphaland Makati Place Inc. (AMPI)	5,134,046	889,652,010	-	-	-	894,786,056	894,786,056
9	Choice Insurance Brokerage, Inc. (CIBI)	576,885	760,501	-	-	-	1,337,386	1,337,386
10	Alphaland Holdings Company, Inc.(AHCI)	-	22,041	-	-	-	22,041	22,041
11	Aklan Boracay Properties, Inc. (ABPI)	121,960	53,437	-	-	-	175,397	175,397
12	2258 Blue Holdings, Inc. (2258)	13,985,741	71,084	-	-	-	14,056,825	14,056,825
	TOTAL	**773,998,684**	**880,022,646**	**(122,987,574)**	-	-	**1,531,033,756**	**1,531,033,756**

(i) If collection was other than in cash, explain.
(ii) Give reasons for write off.

Schedule D. Intangible Assets- Other Assets

	Description (i)	Beginning balance	Additions at cost (ii)	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions) (iii)	Ending balance
1	Computer Software	2,840,549	-	1,265,869	-	-	1,574,680
2	Goodwill	23,229,684	-	-	-	-	23,229,684
	TOTAL	**26,070,233**	-	**1,265,869**	-	-	**24,804,364**

(i) The information required shall be grouped into (a) intangible shown under the caption intangible assets and (b) deferrals shown under the caption Other Assets in the related balance sheet. Show by major classifications.

(ii) For each change representing anything other than an acquisition, clearly state the nature of the change and the other accounts affected. Describe cost of additionsrepresenting other than cash expenditures.

(iii) If provision for amortization of intangible assets is credited in the books directly to the intangible asset account, the amounts shall be stated with explanations, including the accounts charged. Clearly state the nature of deductions if these represent anything other than regular amortization.

Schedule E. Long Term Debt

	Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-Term Debt" in related balance sheet (iii)	Details
1	Omnibus Loan and Security Agreement (Alphaland Development Inc.)	1,187,501,200	203,272,264	767,684,599	Interest based on floating rate is repriced and paid quarterly.
2	Omnibus Loan and Security Agreement (Alphaland Makati Place Inc.)	1,750,000,000	41,170,000	1,681,376,438	Interest based on floating rate is repriced and paid quarterly.
3	Omnibus Loan and Security Agreement (Alphaland Makati Tower Inc.)	2,400,000,000	36,000,000	2,327,365,149	Interest based on floating rate is repriced and paid quarterly.
4	Omnibus Loan and Security Agreement (Alphaland Balesin Island Resort Corp.)	2,500,000,000	56,250,000	2,443,750,000	Interest based on floating rate is repriced and paid quarterly.
	TOTAL	**7,837,501,200**	**280,442,264**	**4,776,426,186**	

(i) Include in this column each type of obligation authorized.
(ii) This column is to be totaled to correspond to the related balance sheet caption.
(iii) Include in this column details as to interest rates, amounts or number of periodic installements and maturity dates.

Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party (i)	Balance at beginning of period	Balance at end of period (ii)
The Group has no non current indebtedness to related parties.		
		-
		-

(i) The related parties named shall be grouped as in Schedule D. The information called for shall be stated separately for any persons whose investments were shown separately in such related schedule.
(ii) For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement is filed	Nature of guarantee (ii)
The Group has no guarantees of securities of other issuing entities.				
		-		
		-		

(i) Indicate in a note any significant changes since the date of the last balance sheet filed. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.
(ii) There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", "Guarantee of Interest", or "Guarantee of dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

Schedule H. Capital Stock

	Title of issue (i)	Number of shares authorized	Number of shares issued and outstanding shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties (ii)	Directors, officers and employees	Others (iii)
1	Common Shares	5,000,000	1,984,322,351	-	1,775,447,009	1,057,989,160 *	-
	TOTAL	**5,000,000**	**1,984,322,351**	-	**1,775,447,009**	**1,057,989,160**	-

(i) Include in this column each type of issue authorized.
(ii) Related parties referred to include persons for which separate financial statements are filed and those included in consolidated financial statements, other than the issuer of the particular security.
(iii) Indicate in a note any significant changes since the date of the last balance sheet filed.

* Out of 1,057,989,160 shares beneficially owned by directors, officers and employees, only 1,105 is directly owned by the directors, officers and employees.

ALPHALAND CORPORATION
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
PURSUANT TO SEC MEMORANDUM CIRCULAR NO.11

Unappropriated Retained Earnings as of December 31, 2012		69,434,080
Adjustments	-	
Unappropriated Retained Earnings as of December 31, 2012, as adjusted to available for dividend distribution		69,434,080
Net income (loss) during the period closed to retained earnings	(24,187,421)	
Less: Non-actual/unrealized income net of tax	-	
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - net except those attributable to cash and cash equivalents	-	
Unrealized actuarial gain	-	
Fair value adjustment (mark-to-market gains)	-	
Fair value adjustment of investment property resulting to gain	-	
Adjustment due to deviation from PFRS/GAAP - gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Subtotal	-	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
Unrealized actuarial loss	-	
Adjustment due to deviation from PFRS/GAAP - loss	-	
Loss on fair value adjustment of investment property	-	
Subtotal	-	
Net income actually earned during the period		(24,187,421)
Add (Less):		
Dividend declarations during the period	-	
Appropriations of retained earnings during the period	-	
Reversals of appropriations	-	
Effects of prior period adjustments	-	
Treasury shares	-	
Subtotal		-
Retained earnings as of June 30, 2013 available for dividend		45,246,659

ALPHALAND CORPORATION AND SUBSIDIARIES
FINANCIAL RATIOS

Key Performance Indicator	Manner of Calculation	June 30, 2013 (Unaudited)	June 30, 2012 (Unaudited and As Restated)	December 31, 2012 (Audited and As restated)	December 31, 2011 (Audited and As restated)
Liquidity ratios					
Acid test/ Quick ratio	Cash plus marketable securities plus accounts receivable over current liabilities	0.28 :1.00	0.22 :1.00	0.10 :1.00	0.38 :1.00
Current ratio	Current assets over current liabilities	1.41 :1.00	1.13 :1.00	0.77 :1.00	1.21 :1.00
Cash ratio	Cash and cash equivalents plus marketable securities over current liabilities	0.18 :1.00	0.14 :1.00	0.07 :1.00	0.32 :1.00
Financial leverage ratios					
Debt to equity ratio	Interest-bearing debt over shareholders' equity	0.19 :1.00	0.15 :1.00	0.18 :1.00	0.12 :1.00
Asset-to-equity ratio	Total assets over shareholders' equity	1.45 :1.00	1.37 :1.00	1.45 :1.00	1.38 :1.00
Interest rate coverage ratio (Times interest earned)	Earnings before interest and taxes over interest expenses of the same period	32.41 :1.00	60.92 :1.00	23.21 :1.00	34.44 :1.00
Profitability ratio					
Net profit margin ratio/ return on sales	Net income over net sales	6.21 :1.00	6.59 :1.00	3.80 :1.00	4.69 :1.00
Return on assets ratio	Net income over average total assets during the period	0.04 :1.00	0.05 :1.00	0.08 :1.00	0.12 :1.00
Return on investment	Net income over long-term liabilities plus equity	0.03 :1.00	0.05 :1.00	0.04 :1.00	0.06 :1.00
Gross profit margin	Gross profit over net sales	0.79 :1.00	0.83 :1.00	0.77 :1.00	0.82 :1.00