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S.E.C. Registration Number

ALPHALAND CORPORATION (formerly MACONDRAY PLASTICS, INC.)

(Company's Full Name)

Penthouse Alphaland Southgate Tower, Chino Roces corner EDSA, Makati, City

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

Rodolfo Ma. A. Ponferrada

Contact Person

(632) 338-5599

Company Telephone Number

12	31	17Q	05	
Month	Day	Form Type	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

CFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

41	258,047,780	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-2Q

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

1. For the fiscal year ended **30 June 2010**

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

4. Exact Name of Issuer as specified in its charter **ALPHALAND CORPORATION** ***(formerly MACONDRAY PLASTICS, INC.)***

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

6. SEC Use Only
Industry Classification Code

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

(632) 338-5599
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	**1,419,899,041**	**258,047,780**

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. Financial Statements

The following discussion summarizes the significant factors affecting the operating results, financial condition and liquidity and cash flows of Alphaland Corporation formerly Macondray Plastics, Inc. (the "Company") for the period ended June 30, 2010 and 2009 and the audited financial statements for the year ended December 31, 2009. The following discussion should be read in conjunction with the accompanying unaudited financial statements as of and for the period ended June 30, 2010 and 2009 and notes thereto which form part of this Report. Such financial statements and notes thereto have been prepared in compliance with accounting principles generally accepted in the Philippines ("GAAP") as set forth in Philippine Financial Reporting Standards ("PFRS"). The Company's financial statements are presented in the functional currency of Philippine pesos.

Other than those items disclosed in the notes to financial statements and the management's discussion and analysis of financial condition and results of operations, the Company is not aware of any event, change, contingency or transaction which would have a material effect on the Company's operation or financial performance.

Other than those items disclosed in the notes to financial statements and the management's discussion and analysis of financial condition and results of operations, the Company is not aware of any material off-balance transactions, arrangements, obligations or any other relationship of the Company created during the reporting period.

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

Management Plan of Operations

Alphaland Corporation ("ALPHA" or the "Company") is a Philippine holding company currently with two principal businesses: real property development and plastics manufacturing. Each of these businesses are managed through two wholly-owned subsidiaries: Alphaland Development, Inc. ("ADI") for the property development business and Macondray Plastics Products, Inc. ("MPPI") for the plastics manufacturing interest. The acquisition of the property development business by the Company has yet to be completed. The Securities and Exchange Commission has approved the increase in the Company's authorized capital last April 7, 2010. This enabled the Company to issue new shares in exchange for 100% of the existing outstanding capital of ADI. However, as of the end of the 2nd Quarter and as of this date, the Bureau of Internal Revenue has yet to issue its clearance for ADI to cancel all its outstanding shares and issue shares representing 100% of ADI's outstanding capital in the name of the Company.

Nature of Business and Brief Historical Background

The Company was formerly known as Macondray Plastics, Inc. and, previous to that, Agro Plastics, Inc. On November, 19, 1990, it was incorporated as Agro Plastics, Inc. under Securities and Exchange Commission No. 183835 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. During the year, the Company implemented a major expansion program which involved the construction of a modern manufacturing facility in Panacan, Davao City, the acquisition of machinery and equipment which boosted production to an increased annual blown film capacity of 1,380 metric tons and, the addition of a twine production line with an annual capacity of 270 metric tons. In line with its new status as a stand alone, independent supplier, the Company expanded its customer base to companies outside of the Lapanday Group.

In the same year, 1995, with the procurement of the pertinent permit from the Fertilizer and Pesticide Authority ("FPA"), the facility in Panabo, Davao del Norte commenced producing treated banana bunch shrouds.

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. A new "triple-use" blown film machine with the flexibility of processing High Density Polyethylene ("HDPE"), Low Density Polyethylene ("LDPE") or Low Linear Density Polyethylene ("LLDPE") was commissioned together with a 6-color flexographic printing machine. With these machines, the Company acquired capability to serve the requirements of commercial/industrial companies engaged in the poultry business and export of fresh tuna and desiccated coconut, among others. At the same time, the Company organized a sales and marketing group to actively promote its new production capabilities and establish pro-active service to its banana industry customers.

In 1999, the Panabo plant was renovated and the capacity for banana bunch shrouds production was expanded with the installation and commissioning of an additional extruder, also with a "triple-use" capability.

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. The Company has since ventured into new products for agricultural and industrial applications, i.e., mulch sheets, tunnel covers, greenhouse film, foam net, and stretch cling, high barrier, heat shrink film, with the increase in its production capacity from 2,400 MT/annum to 3,300 MT / annum.

In 2003, in fulfillment of its promise during its initial public offering, it completed the construction of a new production facility, acquired additional machinery and equipment and exploited its market coverage towards non-traditional accounts. The Company likewise revisited its Competency Based HR System and reaffirmed its operational values of Quality, Service and Innovation.

In 2006, the Company acquired a 39,830 sqm property to construct a second facility to house its production facility for agricultural film products. It has since constructed a recycling facility which generates resin for its own consumption.

In September 2009, the Company decided to spin off the operations and maintenance of its plastics manufacturing interest to a separate juridical entity. Thus, MPPI was then incorporated and registered with the SEC on September 25, 2009 and became a wholly owned subsidiary of the Company. A deed of conveyance was subsequently executed where the Company shall transfer all of its assets and liabilities relating to the plastics manufacturing business to MPPI.

The transfer and conveyance shall be effective upon the approval by the SEC of the increase in the authorized capital stock of MPPI.

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"). During the tender offer period (October 27, 20098 to November 5, 2009), shareholders tendered a total of 43,212,748 shares. Consequently, RVO Capital acquired a total of 142,656,748 shares representing 95% of the Company's then issued and outstanding capital stock.

Thereafter on November 18, 2009, the Company's Board of Directors approved the agreement among the Company and the stockholders of Alphaland Development, Inc. ("ADI") relating to the share-for-share swap of the ADI stockholders with the Company. The stockholders of ADI are as follows: Masrickstar Corporation (48%), Alphaland Holdings (Singapore) Pte. Ltd. (40%), Boerstar Corporation (10%) and Azurestar Corporation (2%). Under the Share Swap Agreement dated November 18, 2009 between the Company and the four shareholders of ADI (the "Share Swap Agreement"), each ADI share was exchanged for approximately 5.08 previously unissued shares of the Company. To accommodate the issuance, the Company increased its authorized capital stock from ₱400 million to ₱5 billion. Out of said increase, 1,269,734,041 shares were issued to the stockholders of ADI (in proportion to their current respective shareholdings in ADI) in April 2010.

Aside from the increase in the authorized capital stock of the Company, the Board also approved the amendments of the Company's articles of incorporation to reflect the following changes: (i) change the corporate name of the Company from 'Macondray Plastics, Inc.' to 'Alphaland Corporation', (ii) change in its primary purpose to that of a holding company, and (iii) change in company address from KM 13 Agusan National Highway, Brgy. Panacan, Davao City to Alphaland Southgate Tower, 2258 Chino Roces Ave. cor. EDSA, Makati City. The changes were effected to reflect the new diversified thrust of the Company. The Board also approved the amendment of the Company's By-Laws to provide for the creation of the executive, audit and compensation committees of the Board of Directors.

During the Special Stockholders' Meeting held on December 23, 2009, the Company's stockholders approved and ratified the share swap and the amendments to the Company's Articles of Incorporation and By-Laws (including the increase in authorized capital stock from P400 million to P5 billion).

On April 7, 2010, the Securities and Exchange Commission ("SEC") approved the application of the Company for the foregoing amendments to the Company's Articles of Incorporation and By-Laws.

With the SEC approval, the Company's primary corporate purpose has been changed to that of a holding company. And with the increase in the authorized capital stock of the Company and with the implementation of the Share Swap Agreement, ADI has become a wholly-owned subsidiary of the Company. With ADI, the Company can now diversify into the property development sector and will benefit from ADI's existing projects, namely: Alphaland Southgate Tower and Mall, Alphaland Makati Tower, Alphaland Bay City, Alphaland Makati Place, Alphaland Balesin Island Club, Alphaland Boracay Gateway, Alphaland Heavy Equipment and Shangri-La at the Fort.

Plastics Manufacturing

The plastics manufacturing interest of the Company is carried out through Macondray Plastics Products, Inc. ("MPPI"). MPPI is engaged in the manufacture of varied polyolefin plastic blown film (mono and multi layer) products, polyethylene ("PE") foam net products and polypropylene ("PP") twine, operating out of two (2) separate manufacturing facilities in Davao with 90% of its current production capacity serving the plastic packaging requirements of the agricultural sector.

The business activities of the Company are carried out in a competitive environment competing in terms of geographic distribution, market reach, market share, quality, diversity of products, and pricing, among others. MPPI acknowledges that it has been and shall continue to be a quality provider of plastic packaging products for the agricultural banana sector.

MPPI will continually endeavor its efforts to expand its performance along its current product lines and improve production capabilities as well as develop new products and product applications for blown film product applications. Deliberate efforts in pursuing its strategies to increase market coverage and broaden customer base are continually being undertaken to further boost fiscal performance and enhance the quality of its products.

MPPI competes directly with plastic manufacturers ArcMen Industries, Inc. and Davao Packaging Corporation, Southern Plastics, Inc., MCV Plastics, Davao Asian Plastics, EAGA International, Excel Plastics. MPPI considers as a competitive advantage its being one of the few plastic manufacturing companies with a dedicated and active sales and marketing team in the Southern Philippines whose main objective is to establish and maintain business relationships with potential customers through technical assistance on the benefits and constant monitoring of their packaging requirements. MPPI has likewise established a reputation for the innovation of other plastic product lines for other agricultural and aquaculture applications as well as commercial/industrial applications. MPPI is firm on its commitment to continuously undergo research and development on new products or innovative uses to existing products.

MPPI has sufficient access to funds with which to carry out its plan of operations, including any developmental costs it may incur in innovating new products. MPPI shall likewise procure the necessary machinery and equipment needed to bolster and improve business operations and increase productivity. Other than these acquisitions, MPPI does not foresee any other material acquisition of any other significant equipment not consistent with current operations. To support operations, MPPI intends to continually engage the services of a third party cooperative to supplement current manpower requirement. It shall continue to employ such manpower as necessary to support increased business operations.

Despite recurring and evolving challenges for all business enterprises with the escalating fuel and power costs, rising and limited supply of raw materials, intense competition and fluctuating foreign exchange rates, MPPI continues to prevail over these forces with the increase in production and generation of revenues from non-traditional sources, as well as enforce the resilience of its machinery and manpower.

Property Development

ADI, the newly-acquired subsidiary of the Company, is engaged in the business of real estate development and property leasing. Currently, properties available for lease are spaces in a shopping center (Alphaland Southgate Mall) and in an office building (Alphaland Southgate Tower). It also leases carpark spaces and rents out LED billboard spaces. Lease terms vary depending on the type of property and tenant.

The Company intends to further diversify its real property development through ADI's existing projects, namely: Alphaland Southgate Tower and Mall, Alphaland Makati Tower, Alphaland Bay City, Alphaland Makati Place, Alphaland Balesin Island Club, Alphaland Boracay Gateway, Alphaland Heavy Equipment and Shangri-La at the Fort.

Revenue Sources

Plastics Manufacturing

MPPI generates revenues from the manufacture and production of varied polyolefin products utilized for varied applications. Blown film plastic products may be mono or multi-layer and printed or non-printed, and are custom-made to customer requirement and specifications.

MPPI's sales volume for the 1st semester of 2010 dropped by 6% from the same period last year, or 2,145MT from 2,280MT sold in the 1st semester of 2009. 2nd quarter sales volume for 2010 likewise dipped by 7% or 1,033MT from 1,111MT sold in the 1st quarter of 2010, with 57% of total sales volume generated from sales to the agricultural segment.

Approximately 27% of total sales volume as at June 2010 was generated from export sales for the export of bananas and other agricultural produce. Total sales volume for agricultural exports was at 575MT from 570MT sold in the 1st semester of 2009. Sales volume for agricultural exports for the 2nd quarter of 2010 of 281MT was 7% better than the 262MT sold in the 2nd quarter of 2009 but marginally lower than the 293MT sold in the 1st quarter of 2010.

Sales for varied polyolefin products directed toward the cultivation of bananas dipped by 9% from the same period last year, or 933MT from 1,022MT sold in the 1st semester of 2009 with the effects of El Nino reducing production yield for bananas for certain customers. 2nd quarter 2010 sales volume of 434MT was also 11% lower than 2nd quarter 2009 sales volume of 486MT and 13% lower than the 1st quarter sales volume of 498MT with the initial recovery for planted bananas and start of the rainy season. Corollary 1st semester 2010 sales for polypropylene twine of 292MT was also 9% lower than the 321MT posted in the 1st semester of 2009 also mainly due to the effects of El Nino on production yields. 2nd quarter 2010 sales volume of 136MT was also 22% lower than the 174MT sold in the 2nd quarter of 2009 and 12% lower or 155MT sold in the 1st quarter of 2010 with the reduction in productivity yields from El Nino.

Sales volume generated for commercial-industrial applications grew 22% from prior year's sales volume, or 292MT from 240 MT sold in the 1st semester of 2009. 2nd quarter 2010 sales volume was 5% better, or 152MT from 145MT sold in the 2nd quarter of 2009 and 8% better than the 140MT sold in the 1st quarter of 2010, despite the influx of tight competition from both local and imported suppliers.

Sales for agricultural film products dropped by 10% from prior year's level, or 40MT from 45MT sold in the 1st semester of 2009. 2nd quarter 2010 sales volume of 22MT was 16% lower than the 27MT sold in the 2nd quarter of 2009 but 27% better than the 17MT sold in the 1st quarter of

2010 with the increase in requirement for plastic mulch and tunnel film for typhoon affected areas.

Sales for polyethylene foam dropped further with the continued shift in packaging medium for an export client, resulting in sales volume for the 1st semester of 2010 to 12MT from 57MT sold in the 1st semester of 2009. 2nd quarter 2010 sales volume stood at 5MT from 6MT sold in the 1st quarter of 2010 and 21MT sold in the 2nd quarter of 2009.

Despite the financial and economic global outlook, MPPI expects sales volume to further decline with the volume for the cultivation and export of bananas as a result of climate change and slow market demand. It has and shall continue to implement programs to enhance production output and capability despite the diversity of products it intends to generate.

Revenue Contribution

Plastics Manufacturing

The company posted total revenues of P259M in the 1st semester of 2010, a marginal dip of 5% from the P272M posted in the 1st semester of 2009, with 45% of total revenues generated from products sold for the cultivation of bananas. Revenues achieved with the hold and increase in average selling price per kilo which was at P121 per Kg in June 2010 as compared to the P113 per Kg sold in June 2009. 2nd quarter 2010 revenues of P122M was 10% lower than the P136M sold in the 1st quarter of 2010 and 8% lower than the 2nd quarter 2009 sales achievement.

Revenues generated from the export of bananas increased by 11% over the comparable period, or P67M from P61M posted in the 1st semester of 2009 with the increase in exports for non traditional markets as well as the increase in retail packaging for export bananas. Sales volume sold for the 2nd quarter 2010 of P32M was 18% better than the P26M sold in the 2nd quarter of 2009 but 12% lower than the P36M sold in the 1st quarter of 2010 with the over forecast of exports for certain markets from the 1st quarter of 2010.

Sales to the banana cultivating segment declined by 8%, or P116M from P126M posted in the 1st quarter of 2009, owing to the tight squeeze in prices from competitors. Comparative 2nd quarter 2010 sales revenues were also 9% lower, or P53M from P59M posted in the 2nd quarter of 2009, also significantly lower than the 63M sold in the 1st quarter of 2010. The decline in sales for this segment was mainly attributed to the effects of El Nino. Corollary sales for monofilament twine for the 1st semester of 2010 of P31M was also 9% lower than the P34M sold in the 1st semester of 2009. 2nd quarter 2010 sales revenue for twine of P14M was 21% lower than the comparable period of P18M and 12% lower than the P16M sold in the 1st quarter of 2010.

Sales generated from commercial industrial packaging requirements significantly increased by 21%, or P35M from P29M posted in the 1st quarter of 2009 with the increase in requirement for high value packaging products for industrial food packaging. The increase is attributed to the increase in food manufacturing industries within Mindanao and decentralization of the purchasing function from multinational corporations. 2nd quarter 2010 sales for commercial industrial applications of P18M was also marginally higher than the P17M sold in the 2nd quarter of 2009 and 8% higher than the P17M sold in the 1st quarter of 2010. Sales revenues for this segment are expected to further increase with the Company's various accreditations for its food packaging products and ISO certification.

Sales generated from agricultural film products which are seasonal and protracted by nature, increased by 23% or P6M from P5M sold in the 1st semester of 2009 with the onset of the rainy season. 2nd quarter 2010 sales of P3M was also 21% better than sales generated in the 2nd quarter of 2009 and 18% better than 1st quarter sales revenue generated. The Company markets and sells its agricultural film and corollary services to a wider market base which requires a longer lead-time in re-ordering. The Company expects to generate more sales with an increased market acceptance of non-traditional agricultural practices which contribute to increased yield.

Sales generated from expanded polyethylene foam products significantly declined to P2M from P10M sold in the 1st semester of 2009, owing to the shift of a certain customer to paper trays for the export of its agricultural produce for an export market. 2nd quarter 2010 of P1M sales was also significantly lower than the P3M sold in the 2nd quarter of 2009 but marginally higher than the P0.8M sold in the 1st quarter of 2010. Sales for this segment are expected to further decline with this shift in packaging requirement. MPPI has and continues to seek out alternative applications for this product.

MPPI is committed to continually develop and innovate quality products matched with personalized technical service. The Company aims to further its strategic decision to look beyond traditional sources of revenue in developing new product applications and markets for its blown film, monofilament twine and foam net plastic products. This strategy however does not preclude MPPI from other risks, such as unfavorable weather conditions and natural disasters, which may have a significant impact on operations, and global financial concerns which affects customer demand.

Cost and Expenses

Cost of Sales

The marginal dip in sales volume and value as well as the fluctuating increase in cost of raw materials and utilities contributed to the 3% increase in total cost of sales, amounting to P208M from P201M posted in the 1st semester of 2009.

Owing to the diversified product mix and fluctuating cost of imported resin and other inputs, direct cost of materials increased by 5% or P160M from P153M reported in the 1st semester of 2009. Average direct material cost was also higher or P75 per Kg from P67 per Kg posted in the 1st semester of 2009. MPPI forsees a continuous increase in this cost category as global demand for petroleum continues to increase, and prices of resins products continue to rise.

Power shortages, fluctuating power supply and the high prices in diesel fuel contributed to the increase in total cost of utilities and power which increased by 12% or P13M from P12M posted in the 1st semester of 2009. Mindanao has continued to experience rotating power disruptions which greatly affect productivity and production capacity. MPPI has set in place power generators to help reduce the effect of these power disruptions.

Costs attributed to direct labor were held at P14M, marginally higher than the P14M spent in the 1st semester of 2009 with the increase in volume and machinery employed to support the continuing increase in sales volume. The Company operates 15 blown film extruder machines, a twine line and 3 expanded polyethylene lines and a recycling facility operation out of two manufacturing facilities.

The Company likewise employs the services of a manpower cooperative to support current operations. Indirect labor cost was 11% lower than the same period last year, or P3M from P4M posted in the 1st semester of 2009 with the reduction of products requiring human intervention. The Company is evaluating methods by which to mechanize certain production enhancements for consistent quality output as well as lower costs.

Depreciation and amortization cost charged in the 1st semester of 2010 was posted at P12M from P11M posted in the 1st semester of 2009 with the acquisition of adjunct machinery and equipment to boost production capacity and capability. MPPI continued to invest in the improvement and enhancement of current machinery to further boost production capacity and capability, resulting in improved machine efficiency. To further extend useful life and machinery efficiency, MPPI expended cost for repairs and maintenance which stood at P4M in the 1st semester of 2010, comparable to the P3M expended in the 1st semester of 2009.

MPPI continues efforts to further lower its total cost of sales through its efforts in increasing sales volume for higher yielding margins, reduce cost of waste and further boost productivity through mechanization of certain products, programmed maintenance of the Company's varied machinery and equipment and the implementation of a quality management system.

Operating Expenses

Total overhead cost almost doubled in the 1st semester of 2010 which amounted to P51M as compared in the 1st semester in 2009 of P26M. Increased business activities and expenditures relating to the increase in the capitalization of the company and other corollary charges for the listing of said shares with the Philippine Stock Exchange primarily contributed to the growth in this semester's overhead cost.

Total salaries and wages which accounted for 39% of total overhead expenditures, likewise increased by 20% over the comparable period, or P10M from P9M mainly attributed to salary adjustments in the second semester of 2009, the increase in manpower complement and certain personnel movements within MPPI. The increase was driven by the increase in manpower count which increased from 348 total headcount employed to 377 in the 1st semester of 2010, an additional 29 person headcount over the comparable period. Salaries and Wages for the 2nd quarter of 2010 were however, 6% lower than the previous quarter, or P5M from P5M despite the 1 manpower headcount addition. MPPI continues to engage the services of a manpower cooperative to sustain the Company's diverse operations. MPPI continues to employ a Competency Based HR Management System.

Despite the increase in cost of power in Mindanao, Expenses for Rent, Utilities and allied services declined by 12% or P3M from P3M posted in the 1st semester of 2009, with the acquisition of the adjunct properties in the second facility. 2nd quarter 2010 expenditures were also comparatively 4% lower, or P1M from P1M in the 1st quarter of 2010.

Total marketing and selling expenses, which accounted for 12% of total overhead expenditures, significantly declined by 28% or P2M from P3M posted in the 1st semester 2009 mainly attributed to the strategic initiatives taken in the deployment of marketing and selling activities. Marketing and Selling expenses were also lower comparable to the same period last year with the decline in commission expenses due to delays in collections from certain customers. 2nd quarter 2010 expenditures were also 12% lower than previous quarter, or P1M from P1M in the 1st quarter of 2010.

General and administrative charges, which accounted for 28% of total overhead expenditures, also declined to P8M from P9M posted in the same period last year. The Company experienced a significant decline in communication charges, transportation and travel, professional fees as well as repairs and maintenance of fixed assets. The decline in these expenses were offset mainly by the increase in freight and handling charges, fuel expenses, insurance expenses as well as taxes and licenses. 2nd quarter 2010 general and administrative expenditures were 29% higher than the expense posted in the 1st quarter of 2010, or P5M from P3M.

The increase in depreciable assets, adjunct machinery and equipment and improvement in facilities to support MPPI's increased business activity resulted in an increase in total depreciation cost amounting to 3M from P2M posted in the same period last year.

MPPI posted net other charges of 12M as of June 2010, a 25% improvement from the P16M expended in the same period last year as a result of tighter fiscal management and improved collection efficiencies. 2nd quarter 2010 net other charges also stood at P5M from 7M recorded in the 1st quarter of 2010 also due to the strengthening of the Philippine currency.

Result of Operations

Plastics Manufacturing

A 28% decline in gross revenues for the 1st semester of 2010 mainly resulting from the 6% decline in sales volume, 5% decline in sales revenues and 3% increase in cost of goods sold. The Company posted gross profit margins of 20% in the 1st semester of 2010, 6 percentage points lower than the 26% posted in the 1st semester of 2009. Gross Income as of June 2010 stood at P51M from P71M posted in the 1st semester of June 2009. 2nd quarter 2010 gross margins of 18% were also lower than the 21% gross margin reported in the 1st quarter, or P22M from P28M.

MPPI posted net operating loss of P0.35M, a significant decline from the P45M posted in the 1st semester of 2009. 2nd quarter 2010 net operating loss of P15M was also significantly lower than 1st quarter 2010 net operating income of P15M.

MPPI completed the 1st semester of 2010 reporting net loss results of P17M, 184% lower than the 21M reported in the 1st semester of 2009. 2nd quarter 2010 net loss stood at P22M from P5M reported in the 1st quarter of 2010. Total Net Loss margin reported as at June 2010 stood at 18% from 7% Net Profit margin in June 2009.

Earnings Per Share

	As at 30 June 2010	As at 30 June 2009
Weighted Ave. no of Shares	**150,588,000**	**150,562,000**
Net Income/(Loss)	**(17,372,022)**	**20,609,148**
Earnings/(Loss) per Share	(₱.12)	₱0.13

Liquidity and Capital Resources

Fiscal Position

Total Cash and Cash equivalents as of June 2010 stood at P23M, significantly higher than the P4M posted in June 2009 and P14M posted in December 2009. Aggressive collection efforts contributed to the increase in Cash and cash equivalents as of June 2010. This also can be attributed to the decline in accounts receivable balance by 16% from P155M in December 2009 and 27% decline from P176M in June 2009 to P130M in June 2010. The Company believes that it shall be able to collect a major portion of these accounts and believes that no additional provision for doubtful accounts is necessary. The Company provides an average credit term of 90 days to its regular customer base.

The Company posted an Inventory level of P92M as at June 2010, 5% higher than the P88M recorded in December 2009 and 26% higher than the P73M reported in June 2009. 54% of total inventory asset as at June 2010 was comprised of raw materials amounting to P51M. The Company maintained an inventory level of 80 days on hand, slightly lower than the than the 90 day inventory level target, with the delay in arrival of certain resin raw materials from varied sources. About 95% of the Company's resin raw material is imported from foreign sources, any fluctuation in the foreign exchange, fluctuation in the world market prices and rise in prices for petroleum products has a significant impact on the Company's operations.

Total liabilities as of June 2010 stood at P292M, slightly higher than the P281M posted in December 2009 and P257M posted in June 2009. Total Current Liabilities were posted at P289M from P278M in December 2009 and P251M posted in June 2009. Current ratio was maintained at 1.0 as at June 2010.

Comparable accounts for trust receipts payable decreased significantly from the December 2009 balance of P99M to P96M as at June 2010, mainly with the timing and recording of importations of resin raw materials.

Amounts owed to related parties stood at P24M mainly arising from advances relating to the Company's registration and listing of shares.

Summary of Certain Significant Balance Sheet Items

Below is a summary of certain significant balance sheet items:

Sources and Uses of Cash

Plastics Manufacturing

MPPI's primary source of liquidity and capital resource is cash provided from manufacturing operations. Incremental cash is sourced from short-term borrowings. MPPI mainly utilizes cash to fund the acquisition of raw materials and supplies, payment of trade payables and capital expenditures to increase and enhance productivity.

MPPI is confident that cash generated from operations and financing from existing and pending credit facilities shall be adequate to provide sufficient liquidity to fund the Company's current operations, investments and capital expenditures, as well as service its payables to financial institutions and suppliers. This does not preclude the Company from pursuing various initiatives towards further improving the Company's balance sheet and cash flows.

The Company is not aware of any material off-balance sheet transactions, arrangement, obligations (including contingent obligations), and other relationships of the company with affiliated entities or other persons created during the reporting period.

Key Performance Indicators

Plastics Manufacturing

The Company employs several measures to benchmark its operations. The following are some of the major performance measures that the Company uses. Analyses are employed by comparisons and measurements based on the financial data of the current period against the same period of the previous year.

	June 2010	June 2009
KPI		
Operating Efficiency		
Operating Margin (Income (Loss) from Operations/Net Sales)	-.1%	16.6%
Net Profit Margin (Net Income (Loss) /Net Sales)	-6.7%	7.6%
Gross Margin (Gross Profit/Net Sales)		
	June 2010	**December 2009**
Liquidity		
Current Ratio (Current Asset/Current Liabilities)	1.0	1.0
Days Sales Outstanding (Accounts Receivables/Sales)	50	78
Solvency		
Debt to Equity (Total Liabilities/Stockholders' Equity)	1.2:1	0.8:1
Profitability		
Return of Average Stockholders' Equity (Net Income/Stockholders Equity)	-6.95%	2.0%
Financial Efficiency		
Return on Assets (Net Income/Total Assets)	-3.2%	1.0%
Financial Growth		
Earnings Per Share (Net Income/ Number of Shares)	-0.12	.08

Manpower Complement

Plastics Manufacturing

	June 2010	December 2009	March 2010
Executive/Managerial	10	12	10
Supervisor	40	23	38
Rank and File	111	99	109
Probationary	7	32	14
Manpower Cooperative	209	167	205
Total	377	353	376

MPPI is one of the first companies in Davao to have employed a competency-based human resource system in the management of its human resource. The competency-based system is hinged on compensating employees based on an inventory of competencies required and expected of each employee plus incentives based on performance.

MPPI engaged the services of a Labor Cooperative to provide non-critical tasks in the production of the Company's various products. These personnel assist in the productivity efforts of the Company to better improve plant efficiency.

MPPI's employees are not unionized. No labor-related litigation or claim is pending or, to the best knowledge of the Company, threatened against the Company.

Discussion and Analysis of Material Events and Uncertainties

As of reporting date:

There are no known trends or events, which may have a material effect on the Company's short-term or long-term liquidity.

There were no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation. Funding of maturing obligations shall be sourced from internally generated cash flow or from borrowings under the available credit facilities.

There were no material off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons during the reporting period.

The commitment for capital expenditures is those within the ordinary course of trade or business and will be funded partly from short term credit and operations.

There were no significant trends, events, or uncertainties that will have a material impact on the registrant's sales. There are no significant elements of income or loss not arising from the Company's continuing operations. There are no seasonal aspects that had or have a material effect on the financial condition or results of operations. The effects of seasonality or cyclicality on the operations of the Company's business are not material.

There are no items this year affecting assets, liabilities and equity, net income or cash flows that are unusual because of their nature, size or incidents, except those stated in the Management's Discussion and Analysis.

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

There are no changes in contingent liabilities or contingent assets since the last annual balance sheet date. No material contingencies and any other events or transactions exist that are material to an understanding of the current year.
There are no issuances, repurchases, repayments of debt and equity securities during the year except for those which have been disclosed and those which occur within the ordinary course of business.

There are no material events subsequent to the end of the period that have not been reflected in the financial statements for the year.

There are no effects of changes in the composition of the Company during the year, including business combinations, acquisitions or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.

Disclosures on Market Risks

The company is exposed to various risks in its regular operations, including foreign exchange risks, interest rate risks, liquidity risks, inflation risks and supply risks.

In view of improving its current operations and safeguarding shareholder interests, and faced with the inherent changes in the political and business environment, the Company has and continues to seek and implement measures to curtail these risks.

Foreign Exchange Risks

The Company recognizes approximately 30% of its revenues in US Dollars, as it is an indirect exporter of plastic materials. Sales of export bags are mostly paid for in U.S. Dollars. Most of its raw materials and certain operating supplies, however, are imported and are paid for in U.S. Dollars. This makes the Company a net user of U.S. Dollars. A weakening of the Philippine Peso vis-à-vis the U.S. Dollar may have an adverse effect on the Company's financial performance. However, the Company believes that its pricing policy helps mitigate such risk.

Interest Rate Risk

The Company has unsecured loans from local banks in peso and US Dollar currency with an average borrowing rate of 6.25%. Any fluctuations in interest rates may have a significant impact on the company's financial position. MPPI believes that it has sufficient cash from its operations to liquidate and mitigate these risks should the need arise.

Liquidity Risk

The Company intends to utilize internally generated funds and proceeds from debts to finance operating and investing requirements. Cash flows are regularly evaluated based on projected and actual cash flow in order to assess the Company's financial requirements at any given time.

Inflation Risks

The Company believes that changes in local inflation will have a material, adverse impact on the Company's operations.

Supply Risks

The manufacture of the Company's plastic products requires various types of polyethylene and polypropylene resins, 98% of which is paid for in US Dollars. Prices of these materials are dictated by seasonal supply and demand in the world market. A significant increase in the prices of these materials would have an adverse effect on the Company's profit margins.

The Company has established a program of tracking prices of its raw material requirements in the world market thereby enabling it to enter into purchase contracts during seasons of low prices and continues to seek alternative sources of raw materials to curtail any risks in the shortage of raw material supply. The Company constantly updates its customers on price trends and assists them in planning inventory requirements at times of rising prices.

Natural Occurrences

AC is subject to various other risks that are beyond the Company's and its clients' control. These include weather conditions and natural disasters, which may disrupt the Company's operations. There can be no assurance that the above risks will not have an adverse effect on the Company.

Compliance with Environmental Regulations

Treated bunch shrouds contain the active ingredient chlorpyrifos, a pesticide which requires proper handling and disposal. As such, plastic manufacturers are under constant supervision from the Department of Environment and Natural Resources ("DENR") and the Fertilizer and

Pesticide Authority ("FPA") insofar as plastic production and storage facilities are concerned. Any violation of DENR and FPA regulations may cause disruption of MPPI' operations.

The Company has always been in compliance with health, sanitary, and environmental regulations as imposed by the DENR and the FPA, evidenced by its DENR Permit to Operate and FPA License, and is currently working with the said agencies in establishing the production facility standards for producing pesticide-impregnated bunch shrouds. In addition, MPPI sells such bunch shrouds only to clients who have secured the required licenses from the FPA.

Economic and Political Conditions

The Company's continuing operations are influenced by the general economic and political condition of the Philippines. Any event that would trigger economic and/or political instability may adversely affect the Company's growth and financial performance.

The prevailing peace and order situation in Davao, where the Company's manufacturing facilities and its customers' plantations are located, is generally stable. Nevertheless, a political disturbance that may be brought about by the existing crisis in Mindanao remains to be a threat to companies operating in Davao, including MPPI.

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.

Issuer	:	**ALPHALAND CORPORATION**
Signature and Title	:	**MARIO A. ORETA** President
Principal Financial Officer	:	**RAUL C. PAGDANGANAN** Chief Finance Officer
Date	:	August 12, 2010

ALPHALAND CORPORATION
BALANCE SHEET

	Unaudited June 30 2010	June 30 2009	Audited December 31 2009
ASSETS			
Current Assets			
Cash and cash equivalent	22,976,852	4,536,683	13,995,258
Accounts Receivable Trade – net	130,266,185	178,607,835	155,351,714
Inventories – net	92,500,741	73,093,754	94,136,600
Amounts owed by related parties	441,255	2,937,231	
Prepaid expenses and other current assets	4,931,003	4,123,175	28,597,140
Total Current Assets	**291,116,037**	**263,298,677**	**292,080,712**
Non Current Assets			
Property, plant and equipment – net	242,216,065	241,137,112	247,142,873
Other assets	9,524,943	11,471,828	9,899,490
Total Non Current Assets	251,741,008	252,608,939	257,042,363
TOTAL ASSETS	**542,857,046**	**515,907,616**	**549,123,075**
LIABILITIES & STOCKHOLDERS'S EQUITY			
Current Liabilities			
Loans payable, short term facility	138,000,000	112,000,000	149,000,000
Trust Receipts payable	96,508,782	110,735,389	99,800,248
Trade and other payables	29,961,067	16,878,094	29,361,638
Amounts owed to related party	23,538,999	7,629,240	30,000
Income tax payable	1,286,585	3,873,520	634,207
Total Current Liabilities	**289,295,433**	**251,116,242**	**278,826,093**
Non Current Liabilities			
Retirement Benefits	3,189,325	5,888,710	2,552,672
Total Non Current Liabilities	3,189,325	5,888,710	2,552,672
TOTAL LIABILITIES	292,484,758	257,004,952	281,348,765
STOCKHOLDERS' EQUITY			
Capital Stock – P1 par value	150,588,900	150,562,000	150,588,900
Authorized – 5,000,000,000 shares			
Issued - 150,588,900 shares			
Retained Earnings	100,966,914	109,554,190	118,368,936
TOTAL STOCKHOLDERS' EQUITY	251,585,814	260,116,190	268,957,836
Less: cost of treasury shares	(1,213,526)	(1,213,526)	(1,213,526)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**542,857,046**	**515,907,616**	**549,123,075**

See accompanying Notes to Financial Statements

ALPHALAND CORPORATION

STATEMENTS OF INCOME

	For the quarter ended June 30		Year to Date ended June 30	
	2010	2009	2010	2009
NET SALES	122,765,667	133,837,565	259,028,314	272,128,394
COST OF GOODS SOLD	100,629,379	100,986,926	208,415,681	201,498,605
GROSS PROFIT	22,136,289	32,850,639	50,612,632	70,629,789
OPERATING EXPENSES	37,509,891	13,676,571	50,963,451	25,598,607
OPERATING INCOME (LOSS)	(15,373,602)	19,174,068	(350,319)	45,031,182
OTHER INCOME/EXPENSES				
Foreign Exchange Gain (Loss)	376,855	(136,100)	(241,403)	(587,275)
Interest and bank charges-net	(3,386,928)	(4,225,562)	(7,126,790)	(9,198,816)
Miscellaneous	(2,305,468)	(1,774,612)	(5,178,437)	(7,038,967)
INCOME (LOSS) BEFORE INCOME TAX	(20,689,086)	13,037,795	(12,897,449)	28,161,124
Provision for Income Tax	(1,380,122)	(3,873,520)	(4,474,573)	(7,551,975)
NET INCOME (LOSS)	**(22,069,208)**	**9,164,275**	**(17,372,022)**	**20,609,149**
Earnings (Loss) per Share	*(.15)*	*0.06*	*(P.12)*	*0.13*

ALPHALAND CORPORATION

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For the period ended June 30, 2010 and 2009 and For the year ended December 31, 2009

	Capital Stock	Retained Earnings	Treasury Stock	Total
Balance at December 31, 2008	**125,562,000**	**118,967,521**	**(557,328)**	**254,068,799**
Net Income		20,609,149		20,609,149
Stock Dividend	25,026,900	(25,026,900)		
Cash Dividend		(5,678,678)		(5,678,678)
Balance at June 30, 2009	**150,588,900**	**108,897,992**	**(557,328)**	**258,902,664**
Cash dividend during the year		(5,022,480)		(5,022,480)
Stock Dividend during the year	25,026,900			25,026,900
Treasury Shares			(656,198)	(656,198)
Net Income		29,450,795		29,450,795
Balance at December 31, 2009	**150,588,900**	**118,368,936**	**(1,213,526)**	**267,744,310**
Net Income		(17,372,022)		(17,372,022)
Balance at June 30, 2010	**150,588,900**	**100,966,914**	**(1,213,526)**	**250,372,288**

See accompanying Notes to Financial Statements

ALPHALAND CORPORATION

STATEMENTS OF CASH FLOWS

	For the quarters ended June 30	
	2010	**2009**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**(₱12,897,449)**	₱ 28,161,124
Adjustments for:		
Depreciation and amortization	**14,978,091**	13,096,732
Interest expense	**7,138,411**	1,626,671
Provisions for:		
Doubtful accounts		
Retirement benefit costs	**636,654**	544,038
Inventory obsolescence		
Interest income	**(39,157)**	(10,930)
Operating income before working capital changes	**9,816,550**	43,417,635
Decrease (increase) in:		
Trade receivables	**25,085,528**	6,694,666
Notes receivables and others	**(10,128,500)**	
Inventories	**1,635,859**	19,190,274
Prepaid expenses and other current assets	**(5,830,587)**	9,732,686
Increase (decrease) in:		
Accounts payable and accrued expenses	**599,429**	(5,385,728)
Liabilities under trust receipts and acceptances	**(3,291,467)**	(50,065,640)
Cash generated from operations	**17,886,812**	23,583,893
Interest received	**39,157**	10,930
Income taxes paid	**(3,822,195)**	(4,516,851)
Interest paid	**(7,138,411)**	(1,626,671)
Net cash from operating activities	**6,965,363**	17,451,302
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment - net	**(10,051,282)**	(37,880,065)
Net cash used in investing activities	**(10,051,282)**	(37,880,065)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	**47,000,000**	15,000,000
Payment of notes payable	**(58,000,000)**	-
Net changes in accounts with related parties	**23,067,744**	(488,175)
Cash dividends		(5,022,480)
Purchases of Treasury shares		(656,197)
Net cash from financing activities	**12,067,744**	8,833,147
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**8,981,825**	(11,595,616)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**13,995,028**	16,132,299
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱ 22,976,852**	₱4,536,683

See accompanying Notes to Financial Statements.

1. Corporate Information

a. Organization

Alphaland Corporation, formerly Macondray Plastics, Inc. (the Company) is incorporated in the Philippines and registered with the Philippine Securities and Exchange Commision (SEC). The Company, through its wholly owned subsidiary Macondray Plastics Products, Inc. (MPPI) (collectively referred to as the Group), is engaged in manufacturing, importing, exporting, buying, selling or otherwise dealing in, at wholesale and retail, any and all kinds of goods, including bags, containers, agricultural products, insecticide bags and other goods of similar nature, and any and all equipment, materials, supplies used or employed in or related to the manufacture of such finished products.

The Company's shares of stock are publicly traded in the Philippine Stock Exchange (PSE).

The registered office of the Company is Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City.

b. Change in Ownership

On October 1, 2009, Macondray and Company, Inc. (MCI) entered into a share purchase agreement (the SPA) with RVO Capital Venture Corporation (RVO) with the latter to acquire MCI's existing 66% ownership in the Company. The sale and purchase of the shares was transacted and executed through the PSE on November 11, 2009. Under the SPA, upon execution threof, RVO shall make a tender offer for the approximately 34% of the remaining interest in the Company. As a result of the foregoing transaction, MCI and all companies under common control of MCI and other related parties ceased to be a related of the Company starting November 12, 2009. RVO became the new parent company of the Company owning 95% of the voting shares as of December 31, 2009.

On November 12, 2009, a new set of directors and officers were elected from representatives of RVO. Effective this date, any financial and operating decisions relating to the activity of the Company shall require majority votes from the new set of directors and officers.

On a special stockholders' meeting held on December 23, 2009, the following matters were taken and approved by the Company's stockholders:

1. The amendment of the Company's articles of incorporation to reflect the following:

a. change in its corporate name from 'Macondray Plastics, Inc.' to 'Alphaland Corporation';
b. change its primary purpose from that of a manufacturing company to that of a holding company;

c. change the principal place of business from 'Davao City' to 'Alphaland Southgate Tower, Chino Roces Avenue corner EDSA, Makati City';

d. increase the Company's authorized capital stock from P400 million to P5 billion, the increase to be supported by a share-for-share swap with the stockholders of Alphaland Development, Inc. at a conversion rate of one (1) Alphaland Development, Inc. share for approximately every 5.08 shares of the Company.

2. The amendment of the Company's By-laws to provide for the creation of the executive, audit and compensation committees of the Board of Directors.

3. The Company's application for additional listing with the Philippine Stock Exchange, Inc. with respect to the 1,269,734,041 Primary Shares to be issued to the stockholders of Alphaland Development, Inc. out of the increase in authorized capital stock in connection with the share-for-share swap between the Company and the stockholders of Alphaland Development, Inc.

The amendments to the Company's Articles of Incorporation and By-laws enumerated above were approved by the Philippine SEC on April 7, 2010. Further, the Company, Alphaland Development, Inc. (ADI) and the shareholders of ADI are currently in the process of completely implementing the share-for-share swap including: the issuance of primary shares of the Company to the stockholders of ADI and the transfer of the latter's ADI shareholdings in favor of the Company.

c. Incorporation of Macondray Plastics Products, Inc. (MPPI)

The Company decided to spin off the operation and maintenance of its plastic manufacturing to a new entity._Thereafter, MPPI was incorporated and registered with the SEC on September 25, 2009 and became a wholly-owned subsidiary of the Company. The Company incorporated MPPI for initial capitalization of ₱250,000.00 consisting of 250,000 shares with par value of ₱1.00. Of the total subscribed capital, ₱62,500.00 of which were already paid by the Company.

d. Spin off of operations of MPPI

The Company spun off the operation and maintenance of its plastic manufacturing operations to MPPI. In view of this, the Company and MPPI entered into a deed of conveyance on October 13, 2009 where the Company shall transfer and convey in favor of MPPI all of the Company's rights titles and interests in and obligations to its net assets in consideration of and solely in exchange for shares of stock of MPPI. The transfer of the specific assets and liabilities of the Company to MPPI shall be tax free. The transfer of properties and obligations to MPPI from the Company shall be effective upon the approval by the SEC of the increase in the authorized capital stock of MPPI.

As of April 8, 2010, necessary steps have already been undertaken by management to obtain the approval of the SEC for the increase in MPPI's authorized capital stock so that transfer can be done as specified in the deed of conveyance.

Effective December 1, 2009, MPPI manages the Company's plastic and manufacturing operation. On the same date, all the employees of the Company were transferred to MPPI.

2. Basis of Preparation, Statement of Compliance and Summary of Significant Accounting Policies

Basis of Preparation
The financial statements have been prepared on a historical cost basis. The Company's financial statements are presented in Philippine peso, which is the functional and presentation currency under Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso except as otherwise indicated.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with PFRS.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following revised and amended PFRS which the Company has adopted starting January 1, 2009:

Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Company has elected to present a single statement of comprehensive income.

PAS 23, Borrowing Costs
The revised PAS 23 requires capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Company's previous policy was to expense borrowing costs as they were incurred. In accordance with the transitional provisions of the amended PAS 23, the Company has adopted the standard on a prospective basis. Therefore, borrowing costs are capitalized on qualifying assets with a commencement date on or after January 1, 2009. For the period ended June 30, 2010 and December 31, 2009, there were no borrowing costs capitalized as there were no new qualifying assets for which commencement date for capitalization is on or after January 1, 2009 and June 30, 2010.

Amendments to PFRS 7, Financial Instruments, Disclosures
The amendments to PFRS 7 require additional disclosures about fair value measurement and liquidity risk. Fair value measurement related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, presented by class, for all financial instruments remeasured at fair value. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and financial assets used for liquidity management. The liquidity risk disclosures are not

significantly impacted by the amendments. Adoption of this amendment did not have significant impact on the fair value disclosures.

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires the Company to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

Determining Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the sale of goods and the costs of producing the goods, in which funds from financing activities are generated and of which receipts from operating activities are generally retained.

Operating Lease Commitments-Company as Lessee

The Company has entered into commercial property leave on its facility. The Company has determined that the lessor retains all the significant risks and rewards of ownership over these properties.

Legal Contingencies

The estimate of probable costs for the resolution of possible claims is developed in consultation with outside counsel handling the Company's defense in these matters and is based upon an analysis of potential results. 30 June 2010, the Company is not involved in any legal cases that will have material impact to the Company. No provision for probable losses arising from legal contingencies was recognized in the Company's unaudited financial statement as of June 2010 and December 2009.

Estimates

Estimating Allowance for Impairment Losses on Trade Receivables

The Company estimates the allowances for impairment losses related to trade receivables based on a specific evaluation of accounts and collectivity for receivables that are not individually significant, and where the Company has information that certain customers are unable to meet their financial obligations. In these cases, the use of judgment is based on the best available facts and circumstances, including but not limited to, the length of relationship with the debtors and know market factors, to record specific reserves against amounts due from debtors to reduce the receivable amount that is expected to be collected. Provisions for impairment losses on trade receivables amounting to P3.8 million was recognized in June 2010 and P3.4M in December 2009.

Estimating Inventory Writedown

The Company maintains allowance for inventory losses at a level considered adequate to reflect the excess of cost of inventories over their net realizable values. NRV of inventories are assessed regularly based on prevailing estimated selling prices of inventories and the corresponding cost of disposal. Increase in the NRV of inventories will increase cost of inventories but only to the extent of their original acquisition costs. No writedown of inventories was recognized as of June 30, 2010 and December 31, 2009.

Estimating Useful Lives of Property, Plant and Equipment

The Company estimates the useful lives of the property, plant and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful life

4. Trade Receivables

	June 2010	December 2009
Trade Receivables	**₱134,133,459**	₱159,218,987
Less: allowance for impairment losses	**3,867,273**	3,867,273
	130,266,186	155,351,714

Trade receivables are non-interest bearing and are generally on a 30 day term.

5. Inventories

	June 2010	December 2009
Finished Goods at NRV	**₱24,655,989**	₱30,252,668
Raw materials and supplies at cost	**59,633,037**	53,508,401
Work in process at cost	**5,992,983**	6,087,593
	90,282,009	89,848,662
Raw materials and supplies in transit at cost	**2,218,733**	4,287,938
	92,500,742	94,136,600

The cost of inventories charged to cost of goods sold amounted to P164.4.8 million as at June 2010 and P324.8 million as at December 2009.

Under the terms of the agreements covering the Group's liabilities under trust receipts, certain inventories have been released to the Group in trust for the banks. The Group is accountable to the banks for the trusteed inventories or their sales proceeds.

6. Prepaid Expenses and Other Current Assets

	June 2010	December 2009
Import bills and others	₱14,105,496	₱13,778,054
Net input value added tax	5,206,837	6,888,816
Tax credit certificates	11,267,037	4,477,950
Advances to suppliers	6,428,288	386,284
Others	7,923,345	3,065,496
	₱4,931,003	₱28,597,140

7. **Property, Plant and Equipment – Net**

2010	Land and Improvements	Leasehold Improvements	Buildings and Structures	Machinery, Equipment and Tools	Transportation Equipment	Office Furniture and Equipment	Construction in Progress	Total
Cost:								
At January 1	37,657,227	4,963,815	131,175,373	228,759,753	13,957,291	7,341,309	3,033,710	426,888,479
Additions	-		592,393	7,625,473	23,824	540,539	1,333,600	10,115,828
Disposals						(64,545)		(64,545)
At June 30	37,657,227	4,963,815	131,767,766	236,385,226	13,981,115	7,881,848	4,367,312	436,939,761
Accumulated depreciation:								
At January 1	5,014,848	4,963,815	42,676,703	112,602,992	8,489,918	5,997,329	–	179,745,605
Additions	683,185		4,004,136	8,847,827	1,035,406	407,537		15,042,637
Disposals						(64,545)		(64,545)
At June 30	5,698,034	4,963,815	46,680,838	121,450,819	9,525,324	6,340,321		194,723,696
Net Book Values	**31,959,193**	**-**	**85,086,927**	**114,934,407**	**4,455,791**	**1,541,527**	**4,367,312**	**242,216,065**

2009	Land and Improvements	Leasehold Improvements	Buildings and Structures	Machinery, Equipment and Tools	Transportation Equipment	Office Furniture and Equipment	Construction in Progress	Total
Cost:								
At January 1	₱32,518,994	₱4,963,815	₱124,452,314	₱157,196,304	₱13,959,621	₱5,858,033	₱29,547,274	₱368,496,355
Additions	5,040,683		708,519	20,045,914	1,918,020	1,405,151	31,194,186	60,312,473
Disposals					(1,920,350)			(1,920,350)
Reclassifications	97,550		6,014,540	51,517,535	-	78,125	(57,707,750)	-
At December 31	37,657,227	4,963,815	131,175,373	228,759,753	13,957,291	7,341,309	3,033,710	426,888,478
Accumulated depreciation:								
At January 1	3,641,101	4,662,596	35,268,705	95,131,351	8,166,600	5,272,222	–	152,142,575
Additions	1,373,747	301,219	7,407,998	17,471,641	2,243,668	725,107	-	29,523,380
At December 31	5,014,848	4,963,815	42,676,703	112,602,992	8,489,918	5,997,329	–	179,745,605
Net Book Values	₱32,642,379	₱-	₱88,498,670	₱116,156,761	₱5,467,373	₱1,343,980	₱3,033,710	₱247,142,873

8. Notes Payable

	June 2010	December 2009
China Banking Corporation (CBC)	**₱45,000,000**	₱42,000,000
Security Bank and Trust Company (SBTC)	**40,000,000**	40,000,000
Union Bank of the Philippines	**26,000,000**	31,000,000
Metropolitan Bank and Trust Company (MBTC)	**20,000,000**	20,000,000
MCI	**7,000,000**	16,000,000
	P138,000,000	₱149,000,000

On December 14, 2009, the Company entered into a loan agreement with MCI totaling P16.0 million to finance the Company's working capital requirements. The said loan is subject to 7.5% interest per annum with a term of 90 days.

To secure the payment of the loan from MCI, the Company has assigned (in favor of MCI) its rights and interest by way of pledge over the subscribed and outstanding capital stock of its wholly owned subsidiary, MPPI.

The unsecured loans obtained from local commercial banks bear interest rates of 6.0 to 6.25 % in 2010 and 2009, and renewable on an annual basis.

9. Liabilities Under Trust Receipts and Acceptances

	June 2010	December 2009
SBTC	**19,213,045**	₱38,234,413
MBTC	**35,302,958**	36,723,433
UBP	**41,992,778**	23,929,142
PNB	-	913,260
	₱96,508,781	₱99,800,248

Under the terms of the agreements covering the Company's liabilities under trust receipts, certain inventories have been released to the Company in trust for the bank. The Company is accountable to the banks for the trusteed inventories or their sales proceeds.

10. Trade and Other Payables

	June 2010	December 2009
Trade	**₱13,286,259**	₱13,256,562
Others	**16,674,808**	16,105,076
	₱29,961,067	₱29,361,638

Trade payables are non-interest bearing with a 30-day to a 60-day settlement term.

11. Equity

On May 27, 2009, the BOD approved the declaration of a 20% stock dividend or 25,026,900 common shares and P0.04 per share or P5 million cash dividend in favor of all stockholders of record as of June 16, 2009. As of December 31, 2009, the stock dividends were issued and the corresponding shares and cash dividends were fully paid.

In accordance with the buy-back of P10.0 million worth of the Company's shares as approved by the BOD on February 12m 2001, the Company bought 217,000 shares in 2009, amounting to P0.7 million.

12. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

The Company, in its regular conduct of business, has transactions with its parent company and related parties, which principally consists of the following:

RVO

The parent company made cash advances amounting to P8,727,666 for out of pocket expenses as well as other charges relating to the increase in capitalization, registration and listing of shares. These cash advances are due and demandable and are presented as "Amounts owed to related parties" in the balance sheet.

Related party transactions under previous ownership structure

a. Sales to former related parties which comprise to about 2%-8% of the Company's net sales in 2009. The Company's sales transactions with its former related parties are summarized as follows:

	June 2010	December 2009
Sales made to related parties *(companies owned or controlled by the stockholders of MCI)*		
Lapanday Foods Corporation	**₱18,781,334**	₱ 33,479,643
Lead Export and Agro Development Corp	**8,684,339**	17,820,954
Lapanday Agricultural and Dev't Corp	**7,625,692**	16,932,143
	₱35,091,365	₱ 68,232,740

b. Management services agreement (the Agreement) with MCI, the Company's ultimate parent. The Agreement commenced on August 16, 2006. MCI provides the Company finance, treasury, audit, management information, legal, tax, human resources management, corporate planning and corporate relations and administrative services. The Company shall pay MCI a monthly management fee for the above services, for such consideration as to be mutually agreed by the parties. Should the parties fail to agree on the service fee consideration amount within 30 days from the end of each fiscal year, the percentage shall be 2% of the Company's monthly net income. Total management fee paid to MCI amounted to ₱0.5 million in December 2009.

The balance sheets include the following amounts resulting from the above transactions with related parties:

	June 2010	December 2009
Trade Receivables		
LEADC	**₱5,076,460**	₱4,875,000
LFC	**8,037,094**	4,188,900
LADC	**4,654,100**	4,180,000
	₱17,767,654	₱13,243,900

Compensation of Key Management Personnel of the Company
The Company's key management personnel include its senior managers.

	December 2009
Short-term employee benefits	₱8,334,801
Post-employment benefits	121,778
	₱8,456,579

13. **Cost of Goods Sold**

	June 2010	December 2009	June 2009
Inventories	₱161,409,871	₱324,833,792	₱157,257,916
Utilities and others	13,772,737	51,832,176	12,276,455
Depreciation and amortization	11,802,518	25,864,393	11,400,738
Salaries, wages and allowances	17,663,089	13,095,272	18,039,150
Repairs and maintenance	3,767,466	12,245,417	3,223,627
Employees' benefits		4,229,127	
Others			300,718
	208,415,681	₱432,100,177	₱201,498,605

14. **General and Administrative**

	June 2010	December 2009	June 2009
Salaries, wages and allowances	**₱8,169,546**	₱17,501,196	₱5,520,576
Selling	**1,940,777**	7,028,041	4,189,879
Taxes and licenses	**23,978,306**	6,213,349	1,897,093
Service and professional fees	**1,091,754**	6,199,264	2,264,542
Depreciation and amortization	**3,235,708**	3,658,987	1,695,995
Employees' benefits	**2,327,125**	5,149,325	3,213,912
Repairs and maintenance	**580,344**	2,320,314	945,753
Rental and Utilities	**1,671,847**	-	1,844,671
Travel and transportation	**1,666,633**	1,541,149	568,530
Retirement costs	**285,122**	599,351	222,171
Communication	**363,681**	657,495	354,992
Entertainment, amusement and recreation	**70,634**	244,483	117,509
Provision for impairment losses		3,446,874	
Miscellaneous	**5,581,974**	5,816,812	2,671,606
	₱50,963,451	₱60,376,640	₱25,598,607

15. Others

	June 2010	December 2009
Interest Expense	**(7,126,790)**	₱52,835
Foreign exchange gains (losses) – net	**(241,403)**	(839,282)
Miscellaneous – net	**(5,178,437)**	(3,808,409)
	₱(12,546,630)	₱(4,594,856)

16. Retirement Benefit Plan

The Company has a funded, noncontributory defined benefit retirement plan covering substantially all its regular employees. Benefits are dependent on the years of service and the respective employee's compensation. The retirement benefit obligation is determined using the projected unit credit method. There was no plan termination, curtailment or settlement for the periods ended June 2010 and for the year ended December 31, 2009.

The following tables summarize the retirement cost recognized in the statements of income, the funded status and the amounts recognized in the balance sheets and other information about the plan.

Components of retirement costs recognized in the statements of income for the year ended December 2009 follow:

Current service cost	**₱723,100**
Interest cost	**938,600**
Expected return on plan assets	**(543,100)**
Actuarial losses (gains)	**(254,800)**
Retirement benefit expense	**₱863,800**

Components of retirement obligation recognized in the balance sheets follow:

Present value of obligation	**₱6,919,768**
Fair value of plan assets	**(10,227,462)**
Unfunded (funded) status	**(3,307,694)**
Unrecognized actuarial losses (gains)	**5,860,366**
Retirement obligation	**₱2,552,672**

Changes in the present value of defined benefit obligations as of December 31, 2009 are as follows:

Balances at January 1	**₱5,323,900**
Current service cost	**723,100**
Interest cost	**938,600**
Benefits paid	**(65,832)**
Actuarial loss (gain)	**(112,206)**
Balances at December 31	**₱10,227,462**

Changes in the fair value of plan assets as of December 31, 2009 are as follows:

Balances at beginning of year	₱6,206,600
Expected return on plan assets	543,100
Contributions by the Company	3,655,800
Benefits paid	(65,832)
Actuarial losses	(112,206)
Balances at end of year	₱10,227,462

Based on the Company's actuarial valuation report for funding requirements, the Company's normal cost for the year 2009 amounts to ₱1.8 million or approximately 6.83% of the annual covered compensation. Total unfunded actuarial liability amounts to ₱8.0 million which the Company may fund over five to 22 years. The Company expects to contribute to its defined benefit retirement plan in 2009 the amount of its normal cost plus the chosen annual amortization payment.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2009
Government securities	52%
Deposits in bank	28%
Others	2%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Principal actuarial assumptions used to determine retirement benefit obligations in 2008 were as follows:

	20
Discount rate	18%
Salary increase rate	8%
Expected rate of return	9%
Average expected future service years of active plan members	19 years

17. **Income Taxes**

Major components of income tax expenses are as follows:

	June 2010	December 2009	June 2009
Current	₱4,474,573	₱14,292,648	₱7,551,975
Deferred		(1,663,869)	
	₱4,474,573	₱12,628,779	₱7,551,975

The Company's regular corporate income tax for the period ended June 30, 2010 and 2009 and for the year ended December 31, 2009 exceeded its minimum corporate income tax.

The components of net deferred tax assets are as follows:

	December 2009
Deferred tax assets:	
Allowance for	
Impairment losses	1,160,182
Inventory writedown	299,126
Unamortized past service cost	816,889
Retirement obligation	765,802
NOLCO	665,643
Unrealized foreign exchange losses	226,834
	3,974,476

On May 24, 2005, Republic Act (RA) 9337 was signed into law, amending certain provisions of the National Internal Revenue Code of 1997. Effective January 1, 2009, the rate of regular corporate income tax was reduced from 35% to 30% and unallowable interest rate is reduced from 42% to 33%.

18. Basic and Diluted Earnings Per Share

Earnings per share was computed as follows:

	June 2010	December 2009	June 2009
Net income/ (loss)	**₱(17,372,022)**	**₱29,450,795**	**₱20,609,148**
Divided by: Weighted average number of shares outstanding	**150,588,900**	**150,211,624**	**150,138,100**
Earnings/(Loss) per share	**(₱.12)**	**₱0.20**	**₱0.13**

19. Financial Risk Management and Objectives

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash and notes payable. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, trade and other payables and liabilities under trust receipts and acceptances and amounts owed by/to related parties, which arise directly from its operations. The main risks arising from the use of financial instruments are liquidity risk, foreign currency risk, credit risk and interest rate risk.

The Company's BOD reviews and approves the policies for managing each of these risks and are summarized below.

Liquidity Risk

Liquidity risk is the risk that the Company 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, liquidity and funding risks, related processes and policies are overseen by management. The Company 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 Company also maintains a balance between continuity of funding and flexibility. The policy of the Company is to first exhaust lines available from affiliated companies before local bank lines are availed of. The Company seeks to manage its liquid funds through cash planning on a weekly basis. The Company uses historical figures and experiences and forecasts from its collection and disbursement. As part of its liquidity risk management, the Company 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 Company only places funds in the money market which are exceeding the Company's requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

Foreign Currency Risk

The Company follows a policy to manage its currency risk by (a) not maintaining major cash accounts aside from US dollar (US$) and Philippine peso and (b) exposures in non-Philippine peso currencies shall be locked on a per event basis at the rate effective at the date of signing the contract.

The Company also has transactional currency exposures. Such exposure arises from the sale of products and purchases of raw materials by the Company in currencies other than its functional currency. Approximately 38% of its revenues are in US$ and 97% of raw materials and certain operating supplies used in production are imported and paid in US$. The Company's policy is to match cash flows from highly probable future sales and costs in foreign currency.

Credit Risk

The Company trades only with recognized and creditworthy third parties. It is the Company'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 Company's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the Company, the Company does not offer credit terms without the specific approval of the Vice President - Finance and General Managers.

With respect to credit risk arising from the other financial assets, which comprise cash, the Company'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 Company trades with recognized third parties and related parties, there is no requirement for collateral. There are no other concentrations of credit risk within the Company.

Trade and other receivables and amounts owed by related parties are non-interest bearing and are generally on 30-90 days term.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Except for those impaired accounts receivable, the Company assessed the accounts receivable as collectible and in good standing.

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. To manage this risk, the Company's policy is to obtain loans with interest rates similar to the actual market rates. The Company has minimal exposure to changes in interest rates since the Company avails only short-term loans at prevailing market rates. The Company has no floating rate financial instruments. Hence, the Company is not sensitive to cash flow interest rate fluctuations.

20. Registration with the Board of Investments

On December 26, 2007, the Company obtained a registration with the Board of Investments for its recycling plant operations as a new producer of recycled plastic resin on a non-pioneer status under the Omnibus Investments Code of 1987, otherwise known as Executive Order 226. The Company is entitled to income tax holiday (ITH) incentive for its recycling plant operations for four years starting December 26, 2007 and certain tax and nontax incentives (subject to compliance with certain requirements), among them are as follows:

a. Income tax holiday (ITH) for three years from January 2008;
b. Additional deduction from taxable income for the first five years from the date of registration equivalent to fifty (50%) percent of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment against the previous year subject to certain qualifications;
c. Tax credit on the National Internal Revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing its export product and forming part thereof for a period of 10 years from the start of commercial operations;
d. Exemption from wharfage dues, any export tax, duty and fees for a period of 10 years from date of registration;
e. Access to Customs Bonded Manufacturing Warehouse (CBMW) subject to the Bureau of Customs rules and regulations;
f. Exemption from taxes and duties on imported spare parts and consumable supplies for export producers with CBMW exporting at least 70% of production; and,
g. Simplification of customs duties and procedures for the importation of equipment, spare parts, raw materials and supplies.

No tax incentives have been availed by the Company for the year ended December 31, 2009 as it has not met the production volume and sales value requirement.

21. Segment Reporting

The group has only one reportable segment that manufactures and sells only one product line.

All segment revenue is derived from external customers. The Company sells virtually all its plastic products to companies engaged in the production of bananas, pineapples and other agricultural fruits.

Operating results of the Company are regularly reviewed by the Company's Chief Operating Decision Maker (CODM), which is the Company's BOD, to make decisions about resources to be allocated to the segment and assess its performance. Segment revenue and segment expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and segment expenses are consistent with the consolidated statement of comprehensive income.

The CODM uses percentage analysis and financial highlights as the key performance indicators for the Company's operations

ALPHALAND CORPORATION
Schedule of Accounts Receivable as of 30 June 2010

	Balance at Beginning of Period	Jan - Jun additions	Jan - Jun collections	Amount written off	Current	Non-Current	Balance at End of Period
Lapanday Foods Corporation	11,017,500	18,781,334	21,761,740		6,250,177	1,786,918	8,037,094
Laysun Services Co Limited	7,711,405	54,023,818	45,586,986		14,754,074	1,394,164	16,148,237
Mt. Kitanglad Agri Ventures, Inc.	10,986,830	10,258,032	15,631,776		4,715,442	897,644	5,613,086
La Frutera Inc	5,114,780	5,330,443	7,482,250		2,706,323	256,650	2,962,974
Lapanday Agricultural and Development Corp	4,380,703	7,625,692	7,352,295		3,879,100	775,000	4,654,100
Lead Export and Agro Development Corp	3,330,962	8,684,339	6,938,841		4,223,960	852,500	5,076,460
Marsman Estate Plantation, Inc.	4,998,880	10,752,813	14,847,180		846,350	58,163	904,513
MD Rio Vista Agri Ventures, Inc.	2,231,616	3,387,377	3,715,481		764,413	1,139,100	1,903,513
Agrinanas Development Co, Inc.	12,263,920	11,929,205	18,265,325		5,927,800	-	5,927,800
Darbmupco B	4,808,621	2,337,589	4,704,337		941,900	1,499,973	2,441,873
Universal Prime Trading and Logistics Corp	6,324,296	-	3,040,527			3,283,769	3,283,769
Manupali Agri Development Corp	2,812,769	4,587,137	6,331,805		895,306	172,796	1,068,102
Mt. Kalatungan Agri Ventures, Inc.	4,358,665	5,307,891	5,174,150		2,233,054	2,259,353	4,492,407
Pristine Meadows Agri Development	9,838,736	3,098,769	700,356		1,449,576	10,787,572	12,237,149
Dole Philippines	1,698,503	3,321,807	3,821,434		1,165,050	33,826	1,198,876
Comval Tropical Fruits, Inc.	2,794,866	2,870,212	4,888,212		762,000	14,866	776,866
Nader and Ebrahim S O Hassan Phils	5,484,016	7,407,280	8,675,266		4,210,271	5,759	4,216,030
Others	59,061,919	100,860,027	106,731,336		32,226,680	20,963,930	53,190,610
Subtotal	159,218,987	260,563,765	285,649,297	-	87,951,476	46,181,983	134,133,459
Allowance for impairment loss	(3,867,273)						(3,867,273)
	155,351,714	**260,563,765**	**285,649,297**	-	**87,951,476**	**46,181,983**	**130,266,186**