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SECURITIES AND EXCHANGE COMMISSION

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Company Information

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Industry Classification	
Company Type	Stock Corporation

Document Information

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S.E.C. Registration Number

STARMALLS, INC. (FORMERLY: POLAR PROPERTY HOLDINGS CORPORATION)

(Company's Full Name)

3RD LEVEL STARMALL LAS PINAS, CV STARR AVENUE, PHILAMLIFE VILLAGE, PAMPLONA, LAS PINAS CITY

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

Jo L. Ilijay
Contact Person

571-5948 / 871-4001
Company Telephone Number

1 2 / **3 1**
Month *Day*
Calendar Year

17-Q
FORM TYPE

Month *Day*
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarter ended June 30, 2015

2. SEC Identification Number 39587

3. BIR Tax Identification No. 000-806-396

4. STARMALLS, INC.
Exact name of the registrant as specified in its charter

5. Metro Manila, Philippines
Province,country or other jurisdiction of incorporation

6. Industry Classification Code [ ] (SEC Use Only)

7. 3rd Level Starmall Las Piñas, CV Starr Avenue, Philamlife Avenue, Pamplona, Las Piñas City 1746
Address of Principal Office Postal Code

8. (02) 571-5948 / (02) 871-4001
Registrant's telephone number, including area code

9. Polar Property Holdings Corp.
Former name, former address and former fiscal year, if change since last report.

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

Title of each Class	Number of Shares of common stock outstanding
Common stock	**8,425,981,156 shares**
Preferred stock	**2,350,000,000 shares**

11. Are any of the registrant's securities listed on the Philippine Stock Exchange?

Yes [x] No [ ]

12. Check whether the registrant:

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

Yes [x] No [ ]

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

Yes [x] No [ ]

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STARMALLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2015 AND DECEMBER 31, 2014
(In Thousand Pesos)

	Unaudited 06/30/2015	*Audited* 2014
ASSETS		
CURRENT ASSETS		
Cash	595,561	1,960,277
Trade and other receivables - net	997,836	608,167
Due from related parties	1,314,170	860,675
Real estate properties for sale - net	323,944	323,441
Available-for-sale financial assets	44,444	340,657
Prepayments and other current assets	1,864,346	1,372,957
Total Current Assets	5,140,300	5,466,173
NON-CURRENT ASSETS		
Due from related parties	3,113,027	3,189,816
Available-for-sale financial assets	3,204	3,204
Investment in an associate	-	-
Investment properties	21,914,904	19,445,196
Property and equipment - net	220,677	210,668
Other non-current assets - net	153,398	150,036
Total Non-current Assets	25,405,209	22,998,919
TOTAL ASSETS	30,545,510	28,465,093
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Liability for land acquisition	182,886	246,757
Interest-bearing loans and borrowings	2,990,539	1,383,864
Trade and other payables	1,725,705	1,507,428
Due to related parties	20,936	25,936
Income tax payable	14,571	55,870
Other current liabilities	275	275
Total Current Liabilities	4,934,912	3,220,129
NON-CURRENT LIABILITIES		
Liability for land acquisition	399,938	23,473
Interest-bearing loans and borrowings	3,040,065	3,518,035
Retirement benefit obligation	50,819	50,819
Due to related parties	154,919	154,919
Deferred gross profit on real estate sales	-	-
Deferred tax liabilities - net	193,427	71,894
Other noncurrent liabilities	579,718	548,300
Total Non-current Liabilities	4,418,886	4,367,441
Total Liabilities	9,353,798	7,587,571
EQUITY		
Equity attributable to parent company's shareholders		
Capital Stock	8,449,481	8,449,481
Additional paid-in capital	976,059	976,059
Treasury shares	(1,578,228)	(1,578,228)
Revaluation reserves	2,001	2,001
Retained earnings	13,081,007	12,770,742
Total equity attributable to parent company's shareholders	20,930,320	20,620,056
Non-controlling interest	261,392	257,467
Total Equity	21,191,712	20,877,522
TOTAL LIABILITIES AND EQUITY	30,545,510	28,465,093

STARMALLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(In Thousand Pesos)

	Unaudited Apr - Jun Q2 - 2015	*Unaudited Jan - Jun 2015*	*Unaudited Apr - Jun Q2 - 2014*	*Unaudited Jan - Jun 2014*
REVENUES				
Rent revenue	637,068	1,010,711	341,659	675,773
Common usage and service area charges	49,746	120,257	39,080	100,081
Parking fees	10,943	21,654	10,027	19,751
Real estate sales	-	-	-	32,460
Other operating income	56,494	74,286	49,825	66,407
	754,251	1,226,907	440,591	894,472
COSTS AND EXPENSES				
Depreciation & Amortization	171,952	341,859	145,636	291,084
Occupancy expenses	74,119	110,558	46,891	87,440
Outside services	51,896	102,204	48,281	88,139
Repairs and maintenance	18,371	30,153	9,890	20,574
Advertising and promotions	6,137	10,856	1,787	6,405
Salaries and employee benefits	19,895	51,767	26,655	50,776
Taxes and licenses	16,920	31,826	12,620	25,870
Cost of real estate sales	-	-	-	16,992
Others	21,915	41,890	13,661	27,867
	381,204	721,113	305,421	615,148
OPERATING PROFIT	373,046	505,794	135,170	279,323
OTHER INCOME (CHARGES)				
Loss on disposal of subsidiary	-	-	-	-
Finance income	4,866	11,060	4,366	9,800
Finance costs - net	(8,527)	(28,388)	(9,462)	(18,880)
	(3,661)	(17,328)	(5,095)	(9,080)
PROFIT BEFORE TAX	369,385	488,466	130,074	270,243
TAX EXPENSE -	(135,128)	(174,276)	(35,723)	(73,908)
NET INCOME	234,257	314,190	94,351	196,335
OTHER COMPREHENSIVE INCOME (LOSS)				
Preacquisition income of subsidiary				
Fair value gain (loss) on Available for Sale Financial Assets	-	-	9,228	38,851
TOTAL COMPREHENSIVE INCOME	234,257	314,190	103,580	235,187
Attributable to:				
Parent company's shareholders	231,945	310,264	101,382	230,328
Minority interest	2,312	3,925	2,198	4,859
	234,257	314,190	103,580	235,187
Earnings per Share	P 0.032	P 0.043	P 0.014	P 0.032

STARMALLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(In Thousand Pesos)

	Unaudited Apr - Jun Q2 - 2015	*Unaudited* Jan - Jun 2015	*Unaudited* Apr - Jun Q2 - 2014	*Unaudited* Jan - Jun 2014
EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS				
COMMON STOCK				
Balance at beginning of period	8,425,981	8,425,981	8,425,981	8,425,981
Issuance of shares	-	-	-	-
Treasury shares	(1,578,228)	(1,578,228)	(1,578,228)	(1,578,228)
Balance at end of period	6,847,753	6,847,753	6,847,753	6,847,753
PREFERRED STOCK				
Balance at beginning of period	23,500	23,500	23,500	23,500
Treasury shares	-	-	-	-
Balance at end of period	23,500	23,500	23,500	23,500
ADDITIONAL PAID-IN CAPITAL	976,059	976,059	976,059	976,059
REVALUATION RESERVES				
Balance at beginning of period	2,001	2,001	(56,381)	(56,381)
Fair value gains (losses)	-	-	38,851	38,851
Balance at end of period	2,001	2,001	(17,529)	(17,529)
RETAINED EARNINGS				
Balance at beginning of period	12,849,061	12,770,742	12,523,660	12,424,336
Net income	231,945	310,264	92,153	191,477
Balance at end of period	13,081,007	13,081,007	12,615,813	12,615,813
MINORITY INTEREST				
Balance at beginning of period	259,080	257,467	249,112	246,451
Share in net income	2,312	3,925	2,198	4,859
MINORITY INTEREST	261,392	261,392	251,310	251,310
TOTAL EQUITY	21,191,712	21,191,712	20,696,905	20,696,905

STARMALLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(In Thousand Pesos)

	Unaudited *Apr - Jun* Q2 - 2015	*Unaudited* *Jan - Jun* 2015	*Unaudited* *Apr - Jun* Q2 - 2014	*Unaudited* *Jan - Jun* 2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before tax	369,385	488,466	130,074	270,243
Adjustments for:				
Equity in net earnings of an associate	-	-	-	-
Finance costs	8,527	28,388	9,462	18,880
Unrealized foreign currency losses (gains)			-	
Realized gross profit on real estate sales			-	
Depreciation and amortization	171,952	341,859	145,636	291,084
Interest income	(4,866)	(11,060)	(4,366)	(9,800)
Operating income before changes in operating assets and liabilities	544,998	847,653	280,806	570,407
Decrease (increase) in:				
Trade and other receivables	(344,978)	(389,669)	(16,787)	(103,579)
Real estate properties for sale	383	(502)	-	8,006
Prepayments and other current assets	(465)	(491,390)	33,183	1,028
Other non-current assets	6,724	(3,362)	(1,273)	(54,267)
Increase (decrease) in:				
Trade and other payables	644,999	218,277	18,030	24,270
Other current liabilities	(0)	(0)	(296)	6,703
Estimated liabilities for property development cost				
Income tax payable	1,651	(41,299)	(26,203)	5,886
Deferred gross profit on real estate sales	-	-	-	3,556
Other non-current liabilities	14,049	31,417	16,088	2,728
Cash from (used in) operations	867,361	171,126	303,548	464,739
Cash paid for taxes	(27,066)	(52,743)	(27,066)	(72,169)
Interest received	4,866	11,060	4,366	9,800
Interest paid	(8,527)	(28,388)	(9,462)	(18,880)
Net Cash from (Used in) Operating Activities	836,633	101,054	271,386	383,490
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (Increase) in amounts due from related parties	(98,530)	(376,706)	-	-
Sale of investment in securities	321,227	296,213	-	-
Increase in investment properties	(1,066,289)	(2,157,114)	(600,253)	(812,830)
Acquisitions of property and equipment	(359,756)	(351,869)	(143,278)	(286,367)
Net Cash Provided by (Used in) Investing Activities	(1,203,348)	(2,589,475)	(743,530)	(1,099,197)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in amounts due to related parties	(5,779)	(5,000)	-	-
Proceeds from bank loans	320,059	1,128,583	719,983	956,234
Payment of loans	61	122	(74,933)	(143,541)
Net Cash From Financing Activities	314,341	1,123,705	645,051	812,692
NET INCREASE IN CASH	(52,374)	(1,364,716)	172,907	96,985
CASH AT BEGINNING OF PERIOD	647,935	1,960,277	1,048,384	1,124,306
CASH AT END OF PERIOD	595,561	595,561	1,221,291	1,221,291

STARMALLS, INC. AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2015
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

Starmalls, Inc. (the Company or Parent Company) was incorporated in the Philippines and duly registered with the Securities and Exchange Commission (SEC) on October 16, 1969, originally to pursue mineral exploration. After obtaining SEC approval, the Company later changed its primary business and is now presently engaged in holding investments in shares of stock and real estate business.

On May 14, 2012, the Company's Board of Directors (BOD) authorized the change in corporate name of Polar Property Holdings Corporation to Starmalls, Inc. The SEC approved the Company's application of change in corporate name on June 22, 2012.

The Company is owned by Fine Properties, Inc. or FPI (48.8%), PCD Nominee Corporation or PCDNC (50.9%), and other entities and individuals (0.3%) (see also Note 22). The Company's shares of stock are listed at the Philippine Stock Exchange (PSE).

As of June 30, 2015 and 2014, the Company has ownership interests in the following entities (the Company and subsidiaries are collectively referred herein as the Group):

Subsidiaries	Percentage of Ownership	
	2015	2014
Masterpiece Asia Properties, Inc. (MAPI)	**100.0%**	100.0%
Manuela Corporation (Manuela)	**98.4%**	98.4%
Brittany Estates Corporation (BEC)	-	100.0%

On December 29, 2014, the Company disposed its 100% ownership interest in BEC. The disposal of the subsidiary resulted to the latter's deconsolidation from the Group as of December 31, 2014.

All subsidiaries were incorporated in the Philippines and are primarily engaged in the development, sale of real estate properties and leasing of commercial spaces.

The Company's registered office and principal place of business is located at 3rd Level Starmall Las Piñas, CV Starr Avenue, Pamplona, Las Piñas City.

2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

This interim financial information has been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. This interim financial information does not include all the information required for full annual financial information, and should be read in conjunction with the financial information of the Group, as of and for the year ended December 31, 2014, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

The preparation of interim financial information in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The interim financial statements are presented in Philippine peso, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

3. ADOPTION OF AMENDMENTS TO PFRS THAT IS RELEVANT TO THE COMPANY

In 2015, the Group adopted the following amendment to the PFRS that is relevant to the Group and effective for financial information for the annual period beginning on or after July 1, 2014 and January 1, 2015:

(i) PAS 19 (Amendment), *Employee Benefits – Defined Benefit Plans – Employee Contributions* (effective from July 1, 2014). The amendment clarifies that if the amount of the contribution from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service using the same attribution method (i.e., either using the plan's contribution formula or on a straight-line basis) for the gross benefit.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of June 30, 2015 and December 31, 2014:

	31 Jun 2015	31 Dec 2014
Cash on hand and in banks	P 595,560,704	P 1,955,825,670
Short-term placements	-	4,450,962
	P 595,560,704	P 1,960,276,632

Cash in banks generally earn interest based on daily bank deposit rates.

Short-term placements are made for varying periods of between 30 to 90 days and earn effective interests ranging from 0.4% to 2.3%. Interest income from cash in banks and short-term placements is recognized as part of Finance Income under the Other Income (Charges) account in the consolidated statements of comprehensive income. The Group's cash and cash equivalents do not include restricted cash amounting to P86.6 million and P72.2 million as of June 30, 2015 and December 31, 2014, respectively, which is presented as part of Prepayments and Other Assets account in the consolidated statements of financial position.

5. TRADE RECEIVABLES

The balance of this account is composed of the following as of June 30, 2015 and December 31, 2014:

	30 Jun 2015	31 Dec 2014
Trade receivables from tenants:		
Third party	**P 970,677,924**	P 515,960,408
Related parties under common ownership	**27,158,248**	92,206,511
	P 997,836,172	P 608,166,919

All of the Group's trade and other receivables have been reviewed for indications of impairment. There was no additional impairment loss required to be recognized for the periods ended June 30, 2015 and 2014.

Receivables from tenants represent the outstanding receivables arising from the lease of commercial spaces relating to the Group's mall operations and are collectible within 12 months from the end of the reporting period.

6. REAL ESTATE PROPERTIES FOR SALE

Real estate properties for sale as of June 30, 2015 and December 31, 2014 are stated at cost, the details of which are shown below.

	30 Jun 2015	31 Dec 2014
Residential units for sale	**P 157,859,763**	P 157,357,423
Land for future development	**166,083,952**	166,083,953
	P 323,943,715	P 323,441,376

Residential units for sale represent houses and lots in completed subdivision projects for which the Group has already been granted the license to sell by the Housing and Lot Unit Regulatory Board of the Philippines. Residential units include units that are ready for occupancy, house models and units under construction.

The estimated development costs related to residential units which are sold but not yet completed as of June 30, 2015 and December 31, 2014 are presented as Estimated liability on property development cost under the Trade and Other Payables account in the consolidated statements of financial position.

7. AVAILABLE-FOR-SALE FINANCIAL ASSESTS

The breakdown of this account is as follows:

		30 Jun 2015		31 Dec 2014
Current:				
Debt securities	P	44,443,543	P	198,786,854
Bank notes		-		100,000,000
Equity securities		-		41,869,689
		44,443,543		340,656,543
Non-current –				
Equity securities		3,204,170		3,204,170
	P	47,647,713	P	343,860,713

The fair values of the investments in AFS financial assets have been determined directly by reference to published prices in an active market

In 2015 and 2014, certain equity and debt securities were disposed by the Group. The unrealized loss previously recognized under other comprehensive income was reclassified to profit or loss and presented as a reclassification adjustment within other comprehensive income.

The AFS financial assets classified as current assets in the consolidated statements of financial position is intended by management to be disposed within 12 months from the end of the reporting period.

Interest income from AFS financial assets are presented as part of Finance Income under the Other Income (Charges) account in the consolidated statements of comprehensive income.

8. PREPAYMENTS AND OTHER ASSETS

This account is composed of the following as of June 30, 2015 and December 31, 2014:

		30 Jun 2015		31 Dec 2014
Current:				
Advances to contractors, brokers and others	P	997,089,395	P	605,338,800
Input VAT		673,210,869		592,917,116
Reserve fund		86,635,300		72,185,021
Prepayments		60,619,063		31,068,666
Advances to officers and employees		21,549,110		25,382,375
Creditable withholding taxes		12,045,501		7,927,322
Short-term installment contracts receivable		1,298,297		9,645,634
Advances to suppliers		-		13,743,363
Others		11,898,623		14,748,312
		1,864,346,160		1,372,956,610

Non-current:		
Refundable deposits	**95,529,412**	92,603,284
Long-term installment contracts receivable	**55,894,488**	56,984,250
Others	**1,973,603**	448,359
	153,397,503	150,035,893
	P 2,017,743,663	P 1,522,992,503

Reserve fund represents the fund established by MAPI in 2013 in accordance with a loan agreement with a local bank. The fund earns effective interest ranging from 0.3% to 2.5% in 2015 and 2014.

Prepayments pertain to prepaid taxes, insurance premiums, employee benefits, repairs and rent, which will be utilized within 12 months from the end of the reporting period.

Others include accrued interest receivable, penalties receivable from tenants due to late payments, security deposits, advance rentals and office supplies.

9. INVESTMENT PROPERTY

The Group's investment property includes several parcels of land and building and improvements, which are owned and held for capital appreciation and rental purposes.

The Group's investment property generates rental income under various operating lease agreements. Rental income from the investment property amounting to P1,010.7 million and P1,408.1 million for the period ended June 30, 2015 and December 31, 2014, respectively, are presented as Rental income under Revenues and Income in the consolidated statements of comprehensive income.

Direct costs incurred generally pertain to depreciation charges and real property taxes. Real property tax related to investment property was recognized as part of Taxes and Licenses in the consolidated statements of comprehensive income. Depreciation charges are presented as part of Depreciation and Amortization in the consolidated statements of comprehensive income.

The composition of this account is shown below.

	30 Jun2015	31 Dec 2014
Land	**P 9,848,677,568**	P 9,329,122,464
Building and improvements, net of accumulated depreciation	**8,453,772,555**	8,370,054,385
Commercial building under construction	**3,612,463,446**	1,746,019,274
	P 21,914,903,569	P 19,445,196,123

Commercial building under construction pertains to accumulated costs incurred in the development of certain commercial buildings. Capitalized borrowing costs amounting representing the actual borrowing costs incurred on loans obtained to fund the construction project are included as part of the costs of Investment Property

9.1 Investment Property Owned by the Parent Company

The Parent Company's investment property has a carrying amount of P5.1 million as of June 30, 2015 and December 31, 2014. This consists of parcels of land located in Valenzuela City with a total land area of 23,675 square meters. The investment property is being held for capital appreciation.

The fair value of the remaining investment property in Valenzuela as of December 31, 2014 amounted to P41.5 million as determined by an independent firm of appraisers.

9.2 Investment Property Owned by MAPI

MAPI's investment property includes several parcels of land, commercial buildings which are currently held for lease (Starmall San Jose Del Monte in Bulacan, Starmall Taguig and Starmall Azienda in Cebu), a commercial building in Wack-Wack and commercial buildings under construction which are owned primarily to earn rental income in the future.

In 2015 and 2014, MAPI acquired certain parcels of land in several locations at a cost of P520.5 and P700.5 million, respectively, for future establishment of commercial properties.

MAPI's land located in Bacoor, Cavite was contributed by two of its former major shareholders as consideration for their subscription to MAPI's shares of stock. The cost of acquisition and development of approximately 177,746 square meters of the said property amounted to P4.4 billion and P2.9 billion as of June 30, 2015 and December 31, 2014, respectively. The parcel of land is currently being developed by the Group as a commercial center that will be available for lease in the future.

The land located in San Jose del Monte, Bulacan amounting to P52.5 million, which represents its purchase price, was acquired in 2011 from Household Development Corporation (HDC), a related party under common ownership. The Phase 1 and Phase 2 of Starmall San Jose Del Monte were completed in 2012 and 2014, respectively, and started their operations in 2013 and 2014, respectively. Accordingly, the Company reclassified portion of Commercial buildings under construction to Buildings and improvements amounting to P786.4 million and P56.4 million representing the completion of Phase 1 and Phase 2 of the commercial building which are already available for lease. Phase 3 of Starmall San Jose Del Monte is still in progress as of June 30, 2015.

In addition to the Phase 2 of Starmall San Jose Del Monte, Starmall Taguig and Starmall Azienda were also completed in 2014 and started operations in September and November, respectively. A commercial building in Wack-Wack was also completed during the latter part of the year. Accordingly, the Company reclassified portion of commercial buildings under construction to building and improvements totaling P1.0 billion which represents all the completed malls and commercial buildings for 2014.

9.3 Investment Property Owned by Manuela

The investment property of Manuela, includes several parcels of land and buildings and improvements located in Mandaluyong City [Starmall EDSA – Shaw and Worldwide Corporate Center (WCC)], Las Piñas City (Starmall Las Piñas and Starmall Las Piñas – Annex) and Muntinlupa City (Starmall Alabang). Part of the cost of buildings and improvements is the capitalized borrowing cost amounting to P___ and P1.1 million for the period ended June 30, 2015 and December 31, 2014, respectively. These properties are owned and held primarily to earn rental income. The capitalization rate used was 5.75% for both 2015 and 2014.

9.4 Fair Value of Investment Property

In 2014, the Company secured the services of an independent firm of appraisers to determine the fair market values of the Company's investment as of December 31, 2014. Fair market value of investment property is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction as at the valuation date.

The results of the appraisal below showed that the fair market values of investment property exceeded the related carrying amounts as of December 31, 2014.

	Land	Buildings and Improvements	Total
Company –			
Land in Valenzuela City	P 41,521,500	P -	P 41,521,500
MAPI:			
Sta. Rosa Laguna	-	451,447,000	451,447,000
Imus, Cavite	218,489,734	-	218,489,734
Land in Bacoor, Cavite	4,471,177,000	803,740,000	5,274,917,000
Starmall San Jose del Monte	204,800,000	956,085,000	1,160,885,000
Mandaluyong City	221,000,000	419,782,000	640,782,000
Manuela:			
Starmall Alabang	2,813,000,000	3,534,428,000	6,347,428,000
Starmall EDSA-Shaw	2,925,000,000	1,186,495,000	4,111,495,000
Starmall Las Piñas	289,400,000	523,107,000	812,507,000
Starmall Las Piñas-Annex	117,600,000	99,728,000	217,328,000
WCC	-	1,983,252,000	1,983,252,000
	P 11,301,988,234	P 9,958,064,000	P 21,260,052,234

10. LIABILITY FOR LAND ACQUISITION

Liability for land acquisition represents the outstanding payable as of June 30, 2015 and December 31, 2014 relating to the Group's acquisition of certain parcels of land.

In 2011, the Group entered into a Contract to Sell (CTS) with HDC to purchase a parcel of land located in San Jose, Bulacan to be developed by the Group as commercial property (see Note 8). Total contract price amounted to P52.5 million, out of which P5.3 million was paid upon execution of the CTS and the balance payable in quarterly payments over a period of five years commencing on January 15, 2012. The liability for land acquisition is noninterest-bearing and measured at amortized cost using the effective interest rate method. The discount rate of 5.70% was determined by reference to prevailing interest rates on similar borrowings. As of December 31, 2013, the Group has paid 25% of the total purchase price and the title to the land has already been transferred to the Group. Additions in 2015 and 2014 pertains to land purchases in various locations from individual third parties amounting to P582.8 million and P700.5 million, respectively, to be held as future commercial building construction sites. From these purchases, the group has outstanding liability of P582.8 million, payable in the next 12 months, presented as part of the Liability for Land Acquisition in the current section of the consolidated statement of financial position.

11. TRADE AND OTHER PAYABLES

This account consists of:

	30 Jun 2015	31 Dec 2014
Trade payables	P 933,095,106	P 573,958,565
Retention payable	407,902,009	264,273,577
Accrued rentals	257,150,078	252,107,294
Accrued expenses	48,011,008	75,019,755
Deferred output VAT	21,720,734	139,633,119
Construction payable	15,200,074	174,269,234
Estimated liability on property development cost	4,831,199	4,831,199
Other payables	37,794,598	23,335,067
	P 1,725,704,807	P 1,507,427,810

Accrued rentals pertain to the effect of straight-line recognition of contractual rent expense as prescribed by PAS 17, *Leases.*

Accrued expenses represent the accrual for security, building maintenance and janitorial services, salaries and employee benefits, professional fees, interest on interest-bearing loans and borrowings and other administrative expenses as well as marketing and advertising expenses, which are expected to be settled within 12 months after the end of the reporting period

12. EQUITY

12.1 Capital Stock

Capital stock consists of:

	Shares		Amount	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
Preferred – voting, cumulative, non-participating, non- convertible, non-redeemable – P0.01 par value				
Authorized	10,000,000,000	10,000,000,000	P 100,000,000	P 100,000,000
Issued and outstanding:				
Balance at beginning of year	2,350,000,000	2,350,000,000	P 23,500,000	P 23,500,000
Issuance during the year	-	-	-	-
Balance at end of year	2,350,000,000	2,350,000,000	P 23,500,000	P 23,500,000
Common shares – P1.00 par value				
Authorized	16,900,000,000	16,900,000,000	P 16,900,000,000	P 16,900,000,000
Issued and outstanding:				
Balance at beginning of year	8,425,981,156	8,425,981,156	P 8,425,981,156	P 8,425,981,156
Issuance during the year	-	-	-	-
Balance at end of year	8,425,981,156	8,425,981,156	P 8,425,981,156	P 8,425,981,156
			P 8,449,481,156	P 8,449,481,156

**At the consolidation level, the shares of stock of the Company held by Manuela resulted in the recognition of Treasury Stock amounting to P1.6 billion, which is equal to the cost of acquisition by Manuela of the said shares.*

On May 14, 2012, the BOD approved the increase in the Company's authorized capital stock from P5.5 billion divided into 5.5 billion shares with P1 par value to P17.0 billion divided into 16.9 billion common shares with P1 par value and 10.0 billion preferred shares with P0.01 par value. The application for increase in authorized capital stock was approved by the SEC on June 22, 2012.

Each preferred share is a voting, cumulative, non-participating, non-convertible and non-redeemable share.

The list of common shareholders of the Company is shown below with their respective number of shares held:

	Number of Shares Issued	Percentage Ownership
FPI	2,573,507,156	30.5%
PCDNC	5,831,436,554	69.2%
Others	21,037,446	0.3%
	8,425,981,156	100%

The following also illustrates the additional listings made by the Company:

On November 13, 1970, the SEC approved the listing of the Company's common shares totaling 1.0 billion. The shares were initially issued at an offer price of P0.01 per share.

On November 10, 2004, the SEC approved the increase in the authorized capital stock of the Company to P4.5 billion divided into 4.5 billion shares with a par value of P1 each, as authorized by the Company's BOD.

In 2005, the Company applied for another increase in its authorized capital stock to P5.5 billion divided into 5.5 billion shares with a par value of P1 each, as authorized by the Company's BOD. On November 23, 2005, the SEC approved the increase in the authorized capital stock of the Company.

As of June 30, 2015 and December 31, 2014, 7.7 billion shares are listed in the PSE and closed at P6.60 and P7.20 per share, respectively.

12.2 Retained Earnings

The Company's unrestricted earnings available for distribution amounted to P2,825,688,154 which excludes unrealized gains.

13. EARNINGS PER SHARE

Earnings per share were computed as follows:

	30 Jun 2015	31 Jun 2014
Net profit attributable to parent company's shareholders	**P 309,025,725**	P 101,381,763
Divided by weighted outstanding common shares	**7,202,878,365**	7,202,878,365
Earnings per share	**P 0.04**	P 0.01

Diluted earnings per share was not determined since the Group does not have potential dilutive shares as of June 30, 2015 and 2014.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations covering six months ended June 30, 2015 vs. six months ended June 30, 2014

Revenues

Rental Revenue

Rental revenue increased by 50% from ₱675.8 million in the semester ended June 30, 2014 to ₱1,010.7 million in the semester ended June 30, 2015 due to the increase in occupancy of Starmall Las Pinas 1, Starmall Las Pinas 2, Starmall EDSA, Starmall Alabang, Starmall San Jose del Monte, Starmall Prima Taguig Starmall Azienda and Worldwide Corporate Center. Contributing to the growth as well are the new malls, Starmall Prima Daang Hari and Starmall Sta. Rosa which opened its doors to the public in the first half of the year.

Common Usage and Service Area Charges

Common usage and service area (CUSA) charges increased by 20% from ₱100.1 million in the six months ended June 30, 2014 to ₱120.3 million in the period ended June 30, 2015, due to improvement in occupancy of the malls and the corporate office building.

Parking Fees

Parking fee revenue increased from ₱19.8 million in the six months ended June 30, 2014 to ₱21.7 million in the period ended June 30, 2015. The 10% increase was due to the increase in parking rates, improvement of parking system and increase in the foot traffic of the malls and the corporate office building.

Real Estate Sales

Real estate sales declined by 100% from ₱32.5 million in the six months ended June 30, 2014 to nil in the same period in 2015 because of the deconsolidation of BEC, the subsidiary which developed The Islands (formerly Island Park), a color-rich Caribbean-inspired community in Dasmariñas, Cavite.

Other Operating Income

Other operating income increased from ₱66.4 million in the six months ended June 30, 2014 to ₱74.3 million in the period ended June 30, 2015. The 12% increase was due to increase in other operating income such as sale of ancillary products and services to the mall and office building tenants. In addition, the Company recorded a gain on derecognition of liabilities in 2015.

Finance Income

Finance income increased by from ₱9.8 million in the six months ended June 30, 2014 to ₱11.1 million in the period ended June 30, 2015. The 13% increase was due to the increase in interest earned from AFS financial assets and short-term placements of the Group.

Costs and Expenses

Operating Costs and Expenses

Operating cost and expenses decreased from ₱615.1 million in the six months ended June 30, 2014 to ₱721.1 million in the period ended June 30, 2015. The increase in the account was primarily attributable to the following:

- Increase in depreciation and amortization by 17% from ₱291.1 million in the six months ended June 30, 2014 to ₱341.9 million in the period ended June 30, 2015 due to the additional depreciation from new or refurbished mall equipments. Depreciation was also recognized for the new malls.

- Increase in occupancy expenses by 26% from ₱87.4 million in the period ended June 30, 2014 to ₱110.6 million in the six months ended June 30, 2015 due to the increase in land lease and utilities expense for the 1st Semester 2015.

- Increase in outside services by 16% from ₱88.1 million in the period ended June 30, 2014 to ₱100.2 million in the six months ended June 30, 2015 due to the increase in manpower and agency fees for the operations of the malls and office building.

- Increase in advertising and promotion by 69% from ₱6.4 million in the six months ended June 30, 2014 to ₱10.9 million in the period ended June 30, 2015 due to increase in marketing, activities and advertising for the promotions of the Group's portfolio.

- Increase in salaries and employee benefits by 2% from ₱50.8 million in the six months ended June 30, 2014 to ₱51.8 million in the period ended June 30, 2015 due to the increase in manpower for the operations and management of the existing malls and office building as well as the construction and development of new projects of the Group.

- Increase in taxes and licenses by 23% from ₱25.9 million in the semester ended June 30, 2014 to ₱31.8 million in the period ended June 30, 2015 due to increase in real property taxes paid for the malls and office building and the new investment properties of the Group.

- Cost of real estate sales decreased by 100% from ₱17.0 million in the period ended June 30, 2014 to nil in the six months ended June 30, 2015 to due to the deconsolidation of BEC in December 2014.

- Increase in other operating expenses by 59% from ₱27.9 million in the six months ended June 30, 2014 to ₱44.3 million in the period ended June 30, 2015 due to the increase in communication, transportation and other operating expenses.

Interest and financing charges increased by 50% from ₱18.9 million in the six months ended June 30, 2014 to ₱28.4 million in the period ended June 30, 2015. This was due to additional interest–bearing loans obtained by MAPI and MC.

Provision for tax increased by 136% from ₱73.9 million in the semester ended June 30, 2014 to ₱174.3 million in the period ended June 30, 2015. This was due to higher operating revenues in the 1st Semester 2015.

Comprehensive Income

As a result of the foregoing, the Company's comprehensive income increased from ₱235.2 million in the six months ended June 30, 2014 to ₱314.2 million in the six months ended June 30, 2015.

For the six months ended June 30, 2015, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Financial Condition as of June 30, 2015 vs. December 31, 2014

Total assets were ₱30.5 billion as of June 30, 2015 and ₱28.5 billion as of December 31, 2014. The 7% increase is due to the following:

- Cash and cash equivalents posted a decrease of 70% from ₱1.9 billion as of December 31, 2014 to ₱595.6 million as of June 30, 2015 due to payments made for the construction and development of new commercial buildings in Taguig City, EDSA Mandaluyong City, Talisay City in Cebu, Bacoor and Imus in Cavite, Sta. Rosa in Laguna and Balanga in Bataan.

- Trade and other receivables posted an increase of 64% from ₱608.2 million as of December 31, 2014 to ₱997.8 million as of June 30, 2015 due to increase in the tenants of the malls with the opening of new projects.

- Due from related parties increased by 9% from ₱4.0 billion as of December 31, 2014 to ₱4.4 billion as of June 30, 2015 due to advances give the affiliates in the 1st Semester 2015.

- Available for sale financial assets decreased 87% from ₱343.7 million as of December 31, 2014 to ₱44.4 million as of June 30, 2015 due to disposal of the company's debt and equity security investments.

- Prepayments and other current assets increased by 36% from ₱1.4 billion as of December 31, 2014 to ₱1.9 million as of June 30, 2015 due to prepayments and advances to contractors in the 1st Semester 2015. There was also increases in the reserve fund due to loan availments and input taxes due to purchases of goods and services for the on-going developments of the Group's projects during the period.

- Investment properties increased by 13% from ₱19.4 billion as of December 31, 2014 to ₱21.9 billion as of June 30, 2015 due to the construction and development of new projects and acquisition of new project sites.

- Property and equipment increased by 5% from ₱210.7 million as of December 31, 2014 to ₱220.7 million as of June 30, 2015 due to the upgrade of equipment of the malls and office building.

- Other non-current assets increased by 2% from ₱150.0 million as of December 31, 2014 to ₱153.4 million as of June 30, 2015 due to increase in refundable deposits to utilities provider of the malls and office buildings.

Total Liabilities as of June 30, 2015 were ₱9.4 billion compared to ₱7.6 billion as of December 31, 2014, or a 23% increase. This was due to the following:

- Trade and other payables increased by 14% from ₱1.5 billion as of December 31, 2014 to ₱1.7 billion as of June 30, 2015 due to increase in trade and retention payables in the 1st Semester 2015.

- Income tax payable decreased by 74% from ₱55.9 million as of December 31, 2014 to ₱14.6 million as of June 30, 2015 due to payments made for income taxes due for the year ended December 31, 2014 and 1st Quarter 2015.

- Liabilities for land acquisition increased by 116% from ₱270.2 million as of December 31, 2014 to ₱582.8 million as of June 30, 2015 due to acquisition of new project sites in the 1st Semester 2015.

- Interest-bearing loans and borrowings increased by 23% from ₱4.9 billion as of December 31, 2014 to ₱6.0 billion as of June 30, 2015 due to loans availed in the 1st Semester 2015.

- Deferred tax liabilities increased by 169% from ₱71.9 million as of December 31, 2014 to ₱193.4 million as of June 30, 2015 due to recognition of tax liabilities in the 1st Semester 2015.

- Other non-current liabilities increased by 6% from ₱548.3 million as of December 31, 2014 to ₱579.7 million as of June 30, 2015 due to receipt of deposits from various mall and BPO building tenants.

Total stockholder's equity increased by 2% from ₱20.8 billion as of December 31, 2014 to ₱21.2 billion as of June 30, 2015 due to the net profit realized for the three months ended June 30, 2015.

Top Five(5) Key Performance Indicators

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	06/30/2015	06/30/2014
Current ratio [a]	1.0	3.4
Debt-to-equity ratio [b]	0.44	0.22
Interest coverage ratio [c]	18	15
EBITDA margin [d]	69%	64%
Return on equity [e]	1.5%	0.9%

Notes:

(a) Current Ratio: This ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.

(b) Debt-to-equity ratio: This ratio is obtained by dividing the Company's Total Liabilities by its Total Equity. The ratio reveals the proportion of debt and equity a company is using to finance its business. It also measures a company's borrowing capacity.

(c) Interest coverage: This ratio is obtained by dividing earnings before interest, taxes depreciation and amortization (EBITDA) by the interest expense. This ratio shows whether a company is earning enough profits before interest to pay its interest cost comfortably.

(d) Earnings before interest, income taxes, depreciation and amortization (EBITDA) margin: This ratio is obtained by dividing the Company's Earnings before interest, income taxes, depreciation and amortization by the total revenue. This measures the Company's operating profitability.

(e) Return on equity: This ratio is obtained by dividing the Company's net income (net of income from acquisition of subsidiary) by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Current ratio as of June 30, 2015 decreased from that of June 30, 2014 due to the increase in current liabilities arising from maturing bank loans and increase in accounts payables.

The increase in debt-to-equity ratio as of June 30, 2015 was due to the increase in interest-bearing loans and accounts payable.

Interest coverage for the second quarter ended June 30, 2015 increased to due to improved revenues in the 1st Semester 2015.

EBITDA margin improved due to the improvement of the operations of the malls and office building.

Return on equity is increased as a result of improved profitability in the 1st Semester 2015.

Material Changes to the Company's Statement of Financial Position as of June 30, 2015 compared to December 31, 2014 (increase/decrease of 5% or more)

Cash and cash equivalents posted a decrease of 70% from ₱1.9 billion as of December 31, 2014 to ₱595.6 million as of June 30, 2015 due to payments made for the construction and development of new commercial buildings in Taguig City, EDSA Mandaluyong City, Talisay City in Cebu, Bacoor and Imus in Cavite, Sta. Rosa in Laguna and Balanga in Bataan.

Trade and other receivables posted an increase of 64% from ₱608.2 million as of December 31, 2014 to ₱997.8 million as of June 30, 2015 due to increase in the tenants of the malls with the opening of new projects.

Due from related parties increased by 9% from ₱4.0 billion as of December 31, 2014 to ₱4.4 billion as of June 30, 2015 due to advances give the affiliates in the 1st Semester 2015.

Available for sale financial assets decreased 87% from ₱343.7 million as of December 31, 2014 to ₱44.4 million as of June 30, 2015 due to disposal of the company's debt and equity security investments.

Prepayments and other current assets increased by 36% from ₱1.4 billion as of December 31, 2014 to ₱1.9 million as of June 30, 2015 due to prepayments and advances to contractors in the 1st Semester 2015. There was also increases in the reserve fund due to loan availments and input taxes due to purchases of goods and services for the on-going developments of the Group's projects during the period.

Investment properties increased by 13% from ₱19.4 billion as of December 31, 2014 to ₱21.9 billion as of June 30, 2015 due to the construction and development of new projects and acquisition of new project sites.

Property and equipment increased by 5% from ₱210.7 million as of December 31, 2014 to ₱220.7 million as of June 30, 2015 due to the upgrade of equipment of the malls and office building.

Trade and other payables increased by 14% from ₱1.5 billion as of December 31, 2014 to ₱1.7 billion as of June 30, 2015 due to increase in trade and retention payables in the 1st Semester 2015.

Income tax payable decreased by 74% from ₱55.9 million as of December 31, 2014 to ₱14.6 million as of June 30, 2015 due to payments made for income taxes due for the year ended December 31, 2014 and 1st Quarter 2015.

Liabilities for land acquisition increased by 116% from ₱270.2 million as of December 31, 2014 to ₱582.8 million as of June 30, 2015 due to acquisition of new project sites in the 1st Semester 2015.

Interest-bearing loans and borrowings increased by 23% from ₱4.9 billion as of December 31, 2014 to ₱6.0 billion as of June 30, 2015 due to loans availed in the 1st Semester 2015.

Deferred tax liabilities increased by 169% from ₱71.9 million as of December 31, 2014 to ₱193.4 million as of June 30, 2015 due to recognition of tax liabilities in the 1st Semester 2015.

Other non-current liabilities increased by 6% from ₱548.3 million as of December 31, 2014 to ₱579.7 million as of June 30, 2015 due to receipt of deposits from various mall and BPO building tenants.

Material Changes to the Company's Statement of Comprehensive Income for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 (increase/decrease of 5% or more)

Rental revenue increased by 50% from ₱675.8 million in the semester ended June 30, 2014 to ₱1,010.7 million in the semester ended June 30, 2015 due to the increase in occupancy of Starmall Las Pinas 1, Starmall Las Pinas 2, Starmall EDSA, Starmall Alabang, Starmall San Jose del Monte, Starmall Prima Taguig Starmall Azienda and Worldwide Corporate Center. Contributing to the growth as well are the new malls, Starmall Prima Daang Hari and Starmall Sta. Rosa which opened its doors to the public in the first half of the year.

Common usage and service area (CUSA) charges increased by 20% from ₱100.1 million in the six months ended June 30, 2014 to ₱120.3 million in the period ended June 30, 2015, due to improvement in occupancy of the malls and the corporate office building.

Parking fee revenue increased from ₱19.8 million in the six months ended June 30, 2014 to ₱21.7 million in the period ended June 30, 2015. The 10% increase was due to the increase in parking rates, improvement of parking system and increase in the foot traffic of the malls and the corporate office building.

Real estate sales declined by 100% from ₱32.5 million in the six months ended June 30, 2014 to nil in the same period in 2015 because of the deconsolidation of BEC, the subsidiary which developed The Islands (formerly Island Park), a color-rich Caribbean-inspired community in Dasmariñas, Cavite.

Other operating income increased from ₱66.4 million in the six months ended June 30, 2014 to ₱74.3 million in the period ended June 30, 2015. The 12% increase was due to increase in other operating income such as sale of ancillary products and services to the mall and office building tenants. In addition, the Company recorded a gain on derecognition of liabilities in 2015.

Finance income increased by from ₱9.8 million in the six months ended June 30, 2014 to ₱11.1 million in the period ended June 30, 2015. The 13% increase was due to the increase in interest earned from AFS financial assets and short-term placements of the Group.

Increase in depreciation and amortization by 17% from ₱291.1 million in the six months ended June 30, 2014 to ₱341.9 million in the period ended June 30, 2015 due to the additional depreciation from new or refurbished mall equipments. Depreciation was also recognized for the new malls.

Increase in occupancy expenses by 26% from ₱87.4 million in the period ended June 30, 2014 to ₱110.6 million in the six months ended June 30, 2015 due to the increase in land lease and utilities expense for the 1st Semester 2015.

Increase in outside services by 16% from ₱88.1 million in the period ended June 30, 2014 to ₱100.2 million in the six months ended June 30, 2015 due to the increase in manpower and agency fees for the operations of the malls and office building.

Increase in advertising and promotion by 69% from ₱6.4 million in the six months ended June 30, 2014 to ₱10.9 million in the period ended June 30, 2015 due to increase in marketing, activities and advertising for the promotions of the Group's portfolio.

Increase in taxes and licenses by 23% from ₱25.9 million in the semester ended June 30, 2014 to ₱31.8 million in the period ended June 30, 2015 due to increase in real property taxes paid for the malls and office building and the new investment properties of the Group.

Cost of real estate sales decreased by 100% from ₱17.0 million in the period ended June 30, 2014 to nil in the six months ended June 30, 2015 to due to the deconsolidation of BEC in December 2014.

Increase in other operating expenses by 59% from ₱27.9 million in the six months ended June 30, 2014 to ₱44.3 million in the period ended June 30, 2015 due to the increase in communication, transportation and other operating expenses.

Interest and financing charges increased by 50% from ₱18.9 million in the six months ended June 30, 2014 to ₱28.4 million in the period ended June 30, 2015. This was due to additional interest–bearing loans obtained by MAPI and MC.

Provision for tax increased by 136% from ₱73.9 million in the semester ended June 30, 2014 to ₱174.3 million in the period ended June 30, 2015. This was due to higher operating revenues in the 1st Semester 2015.

COMMITMENTS AND CONTINGENCIES

The Parent Company's subsidiaries are contingently liable for guarantees arising in the ordinary course of business, including surety bonds, letters of guarantee for performance and bonds for its entire real estate project.

The Company is contingently liable with respect to certain lawsuits and other claims which are being contested by the subsidiaries and their legal counsels. Management and their legal counsels believe that the final resolution of these claims will not have a material effect on the consolidated financial statements. There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Company's liquidity in any material way. The Company sourced its capital requirements through a mix of internally generated cash, sale of liquid assets like installment contracts receivables, pre-selling and joint venture undertakings. The Company does not expect any material cash requirements beyond the normal course of the business. The Company 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 events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation except for those items disclosed in the 1st Semester 2015 Financial Statements.

There are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), or other relationships of the Company with unconsolidated entities or other persons created during the reporting period except those disclosed in the 1st Semester 2015 Financial Statements.

There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of the Company.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. There are no explanatory comments on the seasonality of the operations. There are no material events subsequent to the end of the fiscal period that have not been reflected in the financial statements.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature; neither are there changes in estimates of amounts reported in a prior period of the current financial year.

PART II - OTHER INFORMATION

Item 3. 1st Semester Developments

A. **New Projects or Investments in another line of business or corporation.**

In the 1st Semester 2015, the Group started opened Starmall Prima Daang Hari Phase 1 located in Molino, City of Bacoor, Cavite and Starmall Prima Sta. Rosa Phase 1 located in Brgy. Sto. Domingo, City of Sta. Rosa, Laguna.

B. **Composition of Board of Directors**

Manuel B. Villar Jr.	Chairman of the Board
Jerry M. Navarrete	Director, President and CEO
Benajamarie Therese N. Serrano	Director, COO
Manuel Paolo A. Villar	Director
Adisorn Thananan-Narapool	Director
Joel L. Bodegon	Independent Director
Raul Juan N. Esteban	Independent Director

C. **Performance of the corporation or result/progress of operations.**

Please see unaudited Financial Statements and Management's Discussion and Analysis.

D. **Declaration of Dividends.**

None.

E. **Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.**

None.

F. **Offering of rights, granting of Stock Options and corresponding plans therefore.**

None.

G. **Acquisition of additional mining claims or other capital assets or patents, formula, real estate.**

None.

H. **Other information, material events or happenings that may have affected or may affect market price of security.**

None.

I. **Transferring of assets, except in normal course of business.**

None.

<u>Item 4. Other Notes as of the 1st Semester 2015 Operations and Financials.</u>

J. **Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.**

None.

K. **Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.**

There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.

L. **New financing through loans/ issuances, repurchases and repayments of debt and equity securities.**

See Notes to Financial Statements and Management Discussion and Analysis.

M. **Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.**

None.

N. **The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.**

None.

O. **Changes in contingent liabilities or contingent assets since the last annual balance sheet date.**

None.

P. **Existence of material contingencies and other material events or transactions during the interim period.**

None.

Q. **Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.**

None.

R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

None.

S. Material commitments for capital expenditures, general purpose and expected sources of funds.

The movement of capital expenditures being contracted arose from the regular land development, commercial building construction and requirements which are well within the regular cash flow budget coming from internally generated funds.

T. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.

As of June 30, 2015, no known trends, events or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the six months ended June 30, 2015 financial statements.

U. Significant elements of income or loss that did not arise from continuing operations.

None.

V. Causes for any material change/s from period to period in one or more line items of the financial statements.

None.

W. Seasonal aspects that had material effect on the financial condition or results of operations.

None.

X. Disclosures not made under SEC Form 17-C.

None.

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized.

STARMALLS, INC.
Issuer

By:

FRANCES ROSALIE T. COLOMA
Chief Financial Officer

Date: August 14, 2015