

October 20, 2015

PHILIPPINES STOCK EXCHANGE

4F Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosures Department

Subject: Starmalls, Inc.: **News Clarification 10/20/2015**

Gentlemen:

We reply to your letter of even date requesting confirmation of the news article entitled “Villar may merge shopping mall, residential operations” published in the October 20, 2015 issue of the BusinessMirror, specifically, the portion thereof which read as follows:

“BILLIONAIRE Manuel B. Villar Jr., who made a fortune building affordable homes, is considering merging his residential and shopping mall units as he turns housing projects across the country into self-contained communities.

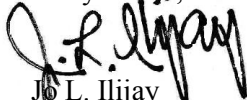
Combining Vista Land & Lifescapes Inc., the biggest Philippine homebuilder, with the income stream from shopping-center developer Starmalls Inc. ‘could make sense,’ according to Villar, a former politician who’s chairman of both companies. The two have a combined market value of about \$2.5 billion and the stakes held by the tycoon and his family are worth together more than \$1 billion, according to data compiled by Bloomberg.

‘That is always a topic of debate among our officers and among our bankers,’ Villar said in an interview on the sidelines of the Forbes Global CEO Conference in Manila last week. ‘We are looking into that.’

The Company is not in a position at this time to confirm or deny the above statements attributed to our Chairman and major stockholder, who is presently out of the country and cannot be immediately contacted due to time zone difference. However, we wish to note that the quoted statements would seem to refer to plans and views regarding his real estate investments.

We wish to assure the Exchange that the Company is fully aware of its disclosure and reportorial obligations and that the Company shall be making any necessary disclosure at the appropriate time.

Truly Yours,

A handwritten signature in black ink, appearing to read "Jo L. Ilijay".

Jo L. Ilijay
Officer-In-Charge