

LODESTAR INVESTMENT HOLDINGS CORPORATION
7TH Floor Peaksun Building
Princeton cor. Shaw Blvd., Wackwack
Mandaluyong City

12 November 2018

To all Stockholders:

Notice is hereby given that the Annual Stockholders' Meeting of Lodestar Investment Holdings Corporation will be held on 13 December 2018 at 1:00 p.m. at the 7TH Floor Peaksun Building, Princeton St., Wackwack, Mandaluyong City. Agenda for the meeting is as follows:

AGENDA

1. Call to Order.
2. Certification of Notice and Quorum.
3. Reading and approval of the minutes of the Annual Meeting of the Stockholders held on 18 December 2017.
4. Adoption of the Audited Financial Statements and Annual Reports for the calendar year ended 31 December 2017.
5. President's Report for the calendar year 2017.
6. Election of Directors.
7. Ratification of all acts of the Board of Directors and Management for the period covered from 18 December 2017 to the date of the Annual Stockholders Meeting.
8. Recommendation for the appointment of Punongbayan and Arraulo the Company's External Auditor.
9. Other Matters.
10. Adjournment.

Only stockholders of record at the close of business on 19 November 2018 are entitled to notice of and to vote at the Annual Stockholders' Meeting, or any adjournment thereof.

Stockholders and Proxies are requested to bring proper identification documents for purposes of registration.


Verius L. Gregorio
Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

*SECURITIES AND EXCHANGE
COMMISSION*



1. Check the appropriate box:
[] Preliminary Information Statement
 [x] Definitive Information Statement
 2. Name of Registrant as specified in its charter:
LODESTAR INVESTMENT HOLDINGS CORPORATION
 3. Province, country or other jurisdiction of incorporation or organization: **Philippines**
 4. SEC Identification Number: **54106**
 5. BIR Tax Identification Code: **200-751-430-000**
 6. Address of principal office: **7th Floor, Peaksun Bldg., Princeton St.
Wackwack, Mandaluyong City** Postal Code: **1555**
 7. Issuer's telephone number, including area code: **c/o (632) 920-9306**
 8. Date, time and place of the meeting of security holders

**7th Floor Peaksun Building
Princeton St, Wackwack
Mandaluyong City
13 December 2018, 1:00 p.m.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **20 November 2018**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	3,000,000,000 (P.10 par value)

11. Are any or all of registrant's securities listed in a Stock Exchange?
Yes [/] No []

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Common Shares **640,000,000**

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

1. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

(a) Date	:	13 December 2018
Time	:	1:00 p.m.
Place	:	7 TH Floor Peaksun Building Princeton St., Wackwack Mandaluyong City
Complete Mailing Address of Company :		
Lodestar Investment Holdings Corporation 7 th floor, Peaksun Bldg., Princeton St. Wackwack, Mandaluyong City		

Approximate Date on which copies of the Information Statement are first to be sent or given to security holders entitled to notice of and to vote at the Annual Meeting:
20 November 2018.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

Item 2. Dissenters' Right of Appraisal

A stockholder may exercise his dissenter's right of appraisal in case of any amendment to the Articles of Incorporation of the Company that has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence, or in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets, or in case of merger or consolidation.

To exercise the right of appraisal, a dissenting stockholder may demand payment of the fair value of his shares by voting against the proposed corporate action and making a written demand on the Company within thirty (30) days after the date on which the vote was taken; otherwise, the failure to make the demand within the said period shall be deemed a waiver of the appraisal right of the dissenting stockholder. Within ten (10) days after demanding payment of his shares, the dissenting stockholder shall submit to the Company the certificate(s) of stock representing his shares for notation thereon that the shares are dissenting shares; otherwise, his failure to do so shall, at the option of the Company, terminate his appraisal rights.

If the action giving rise to the right of appraisal is effected, the Company shall pay to such stockholder, upon surrender of the certificate(s) of stocks representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any

appreciation or depreciation in anticipation of such corporate action. If within the period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third, by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after the award is made, provided that the Company has unrestricted retained earnings in its books to cover such payment and that upon payment by the Company of the agreed or awarded price, the stockholder shall immediately transfer his shares to the Company.

Any other right or action arising from the exercise of a dissenting stockholder of his appraisal rights shall be governed by and in accordance with Title X of the Corporation Code of the Philippines.

No action is to be taken which will give rise to the exercise by a shareholder of his appraisal right as provided under Title X of the Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) *Substantial interest of directors / officers of the Registrant in any matter to be acted upon other than election to office*

There are no matters in which substantial interest of directors or officers of the Corporation are to be acted upon other than election to office.

- (b) *Director's opposition to any action intended to be taken by the Company during the Annual Meeting.*

No director has informed the Company in writing of any intention of opposing any action intended to be taken by the Company during the Annual Meeting.

2. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) *Class entitled to vote*

As of 5 October 2018, there are 3,000,000,000 shares of the Company's common stock outstanding, consisting of 2,988,925,989 Filipino and 11,074,011 Non-Filipino shareholders. It is expected that on record date, 19 November 2018, the same total number of shares will be outstanding and entitled to vote at the Annual Meeting.

- (b) *Record Date*

The Record Date for the Annual Meeting is 19 November 2018. Thus, only stockholders of record at the close of business on 19 November 2018 are entitled to notice of and to vote at the Annual Meeting.

(c) Voting Rights

A stockholder may vote the shares outstanding in his name as of the date of record in the stock transfer books of the Company either in person or by proxy. At his option, a stockholder may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by seven shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. In all instances, the total number of votes shall not exceed seven times the number of shares owned by him. The seven nominees who receive the highest number of votes shall be declared elected.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

The table below outlines the persons as of 5 October 2018 who are known to the Corporation to be directly or indirectly the record and / or beneficial owner of more than five (5%) of any class of the Corporation's voting securities:

Title / Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	Socorro P. Lim 1560 Carissa St., Dasmariñas Village, Makati City No relationship with issuer	Socorro P. Lim	Filipino	2,000,000,000	66.67%
Common	PCD Nominee Corporation G/F Tower One, Ayala Avenue, Makati City No relationship with Issuer	PCD Nominee Corporation is a wholly owned subsidiary of the Philippine Depository and Trust Corporation, Inc. (PDTC) is the registered owner of the shares in the books of the Registrant's stock transfer agent. The beneficial owner of such shares entitled to vote the same are PDTC's participants, who hold the shares either in their own behalf or on behalf of their clients. The following PDTC participants hold more than 5% of the Registrant's voting securities: 1. AP Securities Incorporated – 205,489,000 – (6.85%)	Filipino	622,408,429	20.747%

		The Registrant has no information on the persons authorized to vote the shares of the above-named PDTC participants. They will only be made known to the Registrant once the proxies and/or proper board resolutions on such authorizations are transmitted to the Company.			
Common	Nathaniel C. Go Renaissance 3000 Tower 1, Meralco Avenue, Ortigas Center, Pasig City No relationship with issuer	Nathaniel C. Go	Filipino	260,000,000	8.667 %

The clients of the PCD Nominee Corporation have the power to decide how their shares are to be voted.

(2) Security Ownership of Management

As of 15 October 2018, the shares owned by the directors and executive officers of the Company and the percentage of their shareholdings, are as follows:

Title of Securities	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (D) direct/ (I) indirect	Citizenship	Percent of Class
Common	Antonio Victoriano F. Gregorio III Director / Chairman	10,000 (Direct)	Filipino	Nil
Common	Chi Ho Co Director / President	10,000 (Direct)	Filipino	Nil
Common	Delfin S. Castro, Jr.	10,000 (Direct)	Filipino	Nil
Common	Ramoncito B. Cabalu	1,000 (Direct)	Filipino	Nil
Common	Richard N. Palou	10,000 (Direct)	Filipino	Nil
Common	Felixes G. Latonero	10,000 (Direct)	Filipino	Nil
Common	Manuel G. Ong	1,000 (Direct)	Filipino	Nil
Common	Venus L. Gregorio Corporate Secretary / Corporate Information Officer	10,000 (Indirect – in the name of spouse, Antonio Victoriano F. Gregorio III already counted above)	Filipino	Nil
Aggregate for above named Officers And Directors		52,000	---	Nil

(3) Voting Trust of Five Percent (5%) or More

The Company is not aware of any voting trust or similar arrangements involving securities of the Company or of any person who holds more than five percent (5%) of a class of securities under a voting trust or similar arrangements.

(e) *Change in Control*

On 14 June 2017, the Securities and Exchange Commission approved the increase in the authorized capital of the Company with the subscription by Ms. Socorro P. Lim to 2,000,000,000 shares of the Company and which resulted in Ms. Lim being the owner of 66.67% of the Company's total shareholdings.

Item 5. Directors and Executive Officers

(a) *Disclosure of information concerning the background of the Registrant's officers, directors, and other key personnel.*

As of 15 October 2018, the Board of Directors and Executive Officers of the Company consist of the following individuals:

Name	Position	Nationality	Period Served (as Director)
▪ Antonio V.F. Gregorio III	Director / Chairman	Filipino	2009 to present
▪ Chi Ho Co	Director / President	Filipino	2008 to present
▪ Delfin S. Castro, Jr.	Director / CFO / Treasurer	Filipino	2015 to present
▪ Ramoncito B. Cabalu	Director	Filipino	2015 to present
▪ Richard N. Palou	Director	Filipino	2017 to present
▪ Felixes G. Latonero	Independent Director	Filipino	April 2011 to December 2016; 2017 to present
▪ Manuel G. Ong	Independent Director	Filipino	2015 to present
▪ Venus L. Gregorio	Corporate Information Officer / Corporate Secretary	Filipino	2012 to present

A brief background and business experience, for the last five (5) years, of the above-named Directors and Officers are provided herein as follows:

ANTONIO VICTORIANO F. GREGORIO III, 45, Filipino, Director, Chairman.

Atty. Antonio Gregorio III graduated Second Honors, with a Juris Doctor from the Ateneo de Manila University in 1998 and passed the bar examinations of 1998. He also has a Bachelor of Science Major in Management Engineering and a Bachelor of Arts, Major in Economics-Honors, both from the Ateneo de Manila University, Magna Cum Laude. He was a valedictorian of his high school class in the Ateneo. Atty. Gregorio sits as director and officer of various public and private companies, including NiHAO Mineral Resources International, Inc., (President from 2011 and Chairman from 2012 to present), Dizon Copper-Silver Mines (Treasurer/Director from 2012 to present), Abacore Capital Holdings, Inc. (Director, 2009 to present, Vice Chairman 2018), Philippine Regional Investment Development Corporation (Director 2014 to present, President 2018), Philstar Developmetn Bank (Director, 2008 – present), IPM Holdings, Inc. (Director 2012 to present), Cuervo Far East, Inc.(Corporate Secretary/Director, 2005 to present), Millionaire's Offices and Properties Inc. (2011 – present) and Barnyard Realty Corporation (Corporate Secretary, 2002 to present), and 4A9T Scholarship foundation, Inc. (Corporate Secretary/Trustee from 1999 to present). He was formerly a Director of the following companies: Asiabest Group International Inc. (Chairman and President from 2011 to 2017), GNA Resources International Limited (2011 to 2015), World Wide Manpower Overseas, Inc. (2007 to 2014), Alta Minera, Inc. and Breccia Resources, Inc., (2011 to 2017), Beaver Q Corporation (2002 to 2017) and Big Herald Link International Corporation (2004 to 2016).

CHI HO CO, 46, Filipino, Director and President.

Mr. Chi Ho Co is a businessman who currently serves as Director and Officer of various publicly listed and private companies including Nihao Mineral Resources International, Inc. (2013 to present), Geograce Resources Philippines, Inc. (2013 to present), Hightower, Inc. of which he is the President (2003 to present), Glomedic Philippines, Inc. (Chairman, 2004 to present), Banquets in Style, Inc.(Chairman, 2003 to present), Cavite Apparel Corporation (VP, 1998 to present), Subic Bay Apparel Corporation (VP, 1998 to present), Julia Realty & Development Corp. (Treasurer, 2006 to present), Edgeport Properties, Inc. (Treasurer/Secretary, 2006 to present), Fastrack Realty & Development, Inc. (Chairman, 2004 to present) and CAC Motors Corp. (President, 2002 to present) among other companies. He was formerly a Director of Asiabest Group International Inc. (2011 to 2017).

RAMONCITO B. CABALU, Filipino, 60.

Mr. Ramoncito Cabalu graduated with a Bachelor of Arts degree major in Economics and Social Sciences at the University of the Philippines in 1977. Mr. Cabalu is a director and President of a major entertainment company Circle Asia Group with major industry players to service the entertainment requirements of gaming companies in Manila and the emerging markets (2014). He is also currently a director and Partner of Maple Tree Investments (2014) and Vice-President/Partner for Business Development of Garco Minerals and Chemical Trading.

DELFIN S. CASTRO, JR. Filipino, 52.

Mr. Delfin S. Castro, Jr. holds a Masters Degree in Business Administration and a Bachelor of Science Degree in Business Administration from the University of the Philippines. He is currently a Director/Treasurer of Nihao Mineral resources International, Inc. (2012 – present), Director/Treasurer of Geograce Resources Philippines Incorporated (2006 – present), Director of Dizon Copper-Silver Mines, Inc. (2012 – present). He is also a Director and Corporate Secretary of Sunplaza Development Corporation and Treasurer of The Peak Condominium Corporation. He was formerly a Director / Treasurer of AsiaBest Group International, Inc. (2010 – 2017).

RICHARD N. PALOU, Filipino, 70

Mr. Richard William N. Palou has served as a Director of Asiabest Group International Inc. since 2008. He is an MBA candidate and a graduate of Business Management at the Ateneo de Manila University. He currently serves as Director of DENAGA Pawnshop, Inc. (2007 to present), Vantage Investigation and Security Agency, Inc. (2007 to present), and First Philippine Wind Corporation (1997 to present). He was the Director for the University Athletics at the Ateneo de Manila University (2004 to 2017).

FELIXES G. LATONERO, Filipino, 43.

Mr. Latonero is an Independent Director of Geograce Resources International, Inc. (2016 – present), Asiabest Group International (2015-present). He is also the President of Nontrad Advertising and FGL Modular Cabinet System, Inc. (2003-present). He graduated in 1995 with a degree in Fine Arts from the EARIST. He was Independent Director of Nihao Mineral Resources International, Inc. (2014-2015).

MANUEL G. ONG, Filipino, 60.

Mr. Manuel Ong studied Bachelor of Science major in Chemical Engineering from the Xavier School. He is currently the Vice President and Technical Director of Industrial Welding Corporation. He is an Independent Director of Nihao Mineral Resources International Inc. (2009-present), Asiabest Group International Inc. (2015-present), Dizon Copper-Silver Mines, Inc. (2016-present) and Geograce Resources International Inc. (2013-present).

VENUS L. GREGORIO, 49, Filipino, Corporate Information Officer and Corporate Secretary.

Atty. Venus L. Gregorio graduated with a Juris Doctor from the Ateneo de Manila University in 1998 and passed the bar examinations of 1998. She has a Bachelor of Arts degree major in Political Science from the University of the Philippines. Atty. Gregorio is the Asst. Corporate Information Officer and Assistant Corporate Secretary of Dizon Copper-Silver Mines, Inc. Asst. Corporate Secretary/Director of Cuervo Far East, Inc. (2005 to present). She was the Corporate Secretary and Corporate Information Officer of Asiabest Group International Inc. (2011 to 2017).

Nominees

During the Annual Stockholders Meeting, the following nominees shall be voted for election for the following positions for a term of one year until their successors are duly elected and qualified:

Name of Nominee	Position	Nationality
1. Antonio Victoriano F. Gregorio III	Director	Filipino
2. Chi Ho Co	Director	Filipino
3. Delfin S. Castro, Jr.	Director	Filipino
4. Richard N. Palou	Director	Filipino
5. Ramoncito B. Cabalu	Director	Filipino
6. Manuel G. Ong	Independent Director	Filipino
7. Felixes G. Latonero	Independent Director	Filipino

The Nomination Committee passed upon and approved the nomination of the above-named Nominees for Directors. The Nomination Committee is composed of Messrs. Antonio Victoriano F. Gregorio III, Chi Ho Co and Manuel G. Ong.

Per the Company's Amended By-Laws, "the Corporation shall conform with the requirement to have such number of Independent Directors as may be required by law, possessed with such qualifications as may be prescribed by law. An "Independent Director" is a person who, apart from his fees and shareholdings, which shareholdings do not exceed two percent (2%) of the shares of the Corporation and/ or its related companies or any of its substantial shareholders, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Corporation x x x." (*Article III, Section 4 of the Amended By-laws*).

The Nomination Committee approved the nominations of Messrs. Manuel G. Ong and Felixes G. Latonero for the positions of Independent Directors. Mr. Ong was nominated by Mr. Chi Ho Co and Mr. Latonero was nominated by Atty. Antonio Victoriano F. Gregorio III. Messrs. Co and Gregorio are not related to any nominee for Independent Directors either by consanguinity or affinity.

Messrs. Ong and Latonero submitted their credentials to support their qualifications and establish absence of grounds for disqualification for the positions of Independent Director, as provided for under the Securities Regulation Code, its implementing rules and regulations, pertinent SEC circulars and the Code on Corporate Governance.

The Company considered and adhered to the requirements of SRC Rule 38, as amended, on the nomination and election of Independent Directors. The nominees were screened and included in the final list of candidates for election to the Board of Directors. All nominees were found to possess all the qualifications and none of the disqualifications for election to the positions of regular and independent directors.

(1) *Significant Employees*

The Company maintains a skeletal force of technical and administrative personnel. For 2018, the Company does not know yet of any such personnel is expected to make significant contribution to the business, and thus has no significant employees to name and report.

(2) *Family Relations*

Atty. Antonio Victoriano F. Gregorio III and Atty. Venus L. Gregorio are spouses.

Other than the relationship disclosed above, the company is not aware of any other family relationships up to the fourth civil degree, either by consanguinity or affinity, among the directors and officers of the Company.

(b) *Certain Relationships and Related Transactions*

Transactions With Related Parties

The Company extended advances to a stockholder which amounted to ₱2,854,892 and ₱1,857,076 of December 31, 2017 and 2016 respectively.

Transactions With Key Management Personnel:

The Company avails of the services rendered by lawyers who are also key management personnel of the Company. The related legal fees for 2017 amount to ₱840 thousand. These services are necessary for the continued operations of the Company at rates that are competitive in the industry. The services are expected to continue until a notice of termination is served by the Company.

(a) *Key management Personnel Compensation*

There were no key management personnel compensation for the years 2017 and 2018.

There are no other transactions with parties that do not strictly fall under the definition of related parties but with whom the Company or its related parties have a relationship that enable the parties to negotiate the terms of the material transactions that may not be available from independent parties on an arm's length basis.

(c) Involvement in Certain Legal Proceedings

To the best of Issuer's knowledge, there is no event listed below that occurred during the past five (5) years up to latest date that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the registrant:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign;
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

(d) Disclosure of disagreements of Directors and Executive officers with the Registrant.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of disagreements with the Registrant on any matter relating to the Registrant's operations, policies or practices. No director has furnished the Registrant with a letter describing such disagreement and requesting that the matter be disclosed.

Item 6. Compensation of Directors and Executive Officers

No action is to be taken at the Annual Meeting with respect to any bonus, profit sharing or other compensation plan, contract or arrangement in which any director or executive officer of the Company will participate, and pension, or retirement plan in which any such person will participate, or the granting or extension to any such person of option/s, warrant/s or right/s to purchase any securities, other than warrants or rights issued to security holders as such, on a pro rata basis.

Only minimal per diems or allowances were paid to executive officers and directors of the Company for the preceding fiscal year. Details of such compensation, allowances, and per diems of executive officers, directors, and employees are discussed below.

(a) Directors' per diems

Directors receive a minimal per diem of ₦ 5,000.00 to ₦ 10,000.00 for attendance in Board meetings of the Corporation.

No other allowances and bonuses are given to Directors of the Corporation by reason of their position as director. The aggregate total compensation for the Chairman, the President and Directors of the Company is shown below as of 30 September 2018:

Name	Position	Year	Salary	Bonus	Per Diem
Antonio V.F. Gregorio III	Chairman	2018	-	-	21,053
		2017	-	-	16,667
		2016	-	-	36,111
		2015	-	-	27,778
Chi Ho Co	President	2018	-	-	10,526
		2017	-	-	16,667
		2016	-	-	22,222
		2015	-	-	16,668
Delfin S. Castro, Jr.	Treasurer	2018	-	-	10,526
		2017	-	-	16,667
		2016	-	-	22,222
		2015	-	-	5,555
Venus L. Gregorio	Corporate Secretary / CIO	2018	-	-	21,053
		2017	-	-	22,222
		2016	-	-	36,111
		2015	-	-	27,778
All other officers and directors as a group		2018	-	-	42,105
		2017	-	-	66,667
		2016	-	-	88,889
		2015	-	-	55,556

(b) Executive Compensation

The Chairman and the President did not receive or draw any salary, bonus, or other forms of Compensation from the Corporation except minimal per diems.

Item 7. Independent Public Accountant

For 2017, Mangay-ayam, Lim & Co. CPAs, headed by Mr. Rodrigo Mangay-ayam (MLCPA), were the external auditors retained to review the Company's financial statements. Punongbayan and Araullo, was the Company's independent auditor from 2009 to 2016. Mr. Christopher M. Ferarez, was the signing partner for the fiscal year ending 31 December 2016. Fees paid by the Company covering year 2017 amounted to ₱280,000.00, while ₱265,000.00 and ₱ 240,000.00 were for 2016 and 2015, respectively.

In 2016, PNA was commissioned as well to conduct and prepare a special audit report to support the Company's application for increase in authorized capital stock. Service fees amount to ₱ 69,000.00. Also in the same year, MLCPA was appointed to process the increase in authorized capital stock of the company for a fee of ₱ 300,000.00

For 2018, Management recommends Punongbayan and Araullo as the Company's External Auditor, subject to a reasonable engagement for the services and the corresponding appointment of the partner-in-charge.

The Company is not covered by BIR RMC No. 36-2016 and Professional Regulatory Board of Accountancy Resolution No. 03 Series of 2016 requiring the submission of certificate by the responsible Certified Public Accountants on the Compilation Services for the preparation of financial statements and notes thereto. The ruling covers those issuers which have a gross sales or revenues exceeding Ten Million Pesos (₱ 10,000,000.00) for a particular accounting year. The Financial Statements and the notes thereto are prepared by the Interim Accountant of the Issuer.

External Audit Fees and Services

The fees paid by the Company for professional services rendered by an external auditor for the last three (3) years are as follows:

	2017	2016	2015
Audit fees	₱ 280,000.00	₱ 265,000.00	₱ 240,000.00

Audit Committee

The Audit Committee of the Company is composed of the following:

Member	Position
• Manuel G. Ong	Chairman
• Chi Ho Co	Member
• Antonio Victoriano F. Gregorio III	Member

As provided under the Audit Committee Charter, an Audit Committee was created to provide for the composition, powers and duties thereof. Among others, the Audit Committee is tasked to:

- Assist the Board of Directors in performing oversight responsibility for the financial reporting processes.
- Supervise management activities and responsibilities in maintaining a sound system of internal control.
- Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system.
- Coordinate, monitor and facilitate compliance with laws, rules and regulations in financial reporting.
- Review reports and financial statements before their submission to the Board of Directors.

The Audit Committee shall be responsible for the preparation, review and approval and issuance of the Company's financial statements and reports. Among others, the Audit Committee shall:

- a. Review and approve audit scope and frequency and the annual internal audit plan.
- b. Provide oversight over the senior management's activities in managing credit, market liquidity, operational, Legal and other risks of the Company. The function shall include receiving from senior management periodic information on risk exposures and risk management activities.
- c. Review the quarterly, half year and annual financial statements before submission to the Board, focusing particularly on any change/s in accounting policies and practices.
- d. Determine and evaluate significant adjustment resulting from audit and going concern assumptions
- e. Ensure compliance with accounting standards and compliance with tax, legal, and stock exchange requirements

- f. Be responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulations. It may also constitute a Compliance Unit for this purpose.
- g. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.
- h. Review and discuss with management and external auditor the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following:
 - Any change/s in accounting policies and practices;
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - Going concern assumptions;
 - Compliance with accounting standards;
 - Compliance with tax, legal and regulatory requirements;
- i. Review other relevant reports or financial information submitted by the company to any governmental body or the public or financial report and relevant reports rendered by the external auditor.
- j. Elevate to international standards the accounting and auditing processes, practices and methodologies of the Corporation.
- k. Check all financial reports against its compliance with pertinent accounting standards, including laws and regulatory requirements and review the management representation letter to the external auditor.

The Audit Committee shall have overall responsibility over the external audit of the Company from the selection process to the approval for issuance of financial statements for the statutory periods. Among others, the Audit Committee shall be responsible for the following:

- a. Recommend to the board of directors the selection of the external auditors among qualified and reputable audit firms, considering independence, effectiveness and professionalism.
- b. Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- c. Discuss with the external auditor before the audit commences the nature and scope of the audit and ensure coordination where more than one audit firm is involved.
- d. Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors. In performing this review, the committee will:
 - 1) At least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or per review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any

- such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the company.
- 2) Review and evaluate the lead partner of the independent auditor.
 - 3) Present its conclusions with respect to the external auditor to the Board.
- e. Ensure the rotation of the lead audit partner every five years and other audit partners, and consider whether there should be regular rotation of the audit firm itself.
 - f. Periodically consult with the external auditors out of the presence of management about internal controls and fullness and accuracy of the company's financial statements.
 - g. On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
 - h. Receive and review reports of external auditors and regulatory agencies, where applicable and ensure that management is taking appropriate corrective actions, in timely manner in addressing control and compliance functions with regulatory agencies.
 - i. Pre-approve the engagement of the external auditor or other independent accountant to conduct any non-audit services to be performed during the year.
 - j. Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to external auditor both in relation to their significance to the auditor and in relation to the Company's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report

Item 8. Compensation Plans

There will be no cash or non-cash compensation plans, or adjustments or amendments in stock warrants or options that will be taken up during the Annual Meeting.

a. Financial and other Information

1. The Audited Financial Statements as of 31 December 2017, Annual Report, and Unaudited Financial Statements 1st, 2nd and 3rd quarters of 2018 are hereto attached as Annexes "A", "B", "C", "D" and "E".
2. The Management Report and Plans of Operation are discussed in a separate section.
3. There are no changes in and disagreements with accountants on accounting and financial disclosure; and
4. Representatives of the principal accountants for the current year and for the most recently completed fiscal year:
 - (i) are expected to be present at the security holders' meeting;
 - (ii) will have the opportunity to make a statement if they desire to do so; and
 - (iii) are expected to be available to respond to appropriate questions

For 2018, Management recommends Punongbayan and Araullo as the Company's External Auditor, subject to a reasonable engagement for the services and the corresponding appointment of the partner-in-charge.

Item 9. Modification or Exchange of Securities

There are no matters to be proposed to Shareholders under Modification or Exchange of Securities.

Item 10. Financial and Other Information

A. *Stockholders are furnished the following information and documents:*

- The Audited Financial Statements of the Company for the fiscal year 2017 is attached to this Information Statement as Annex "A" and incorporated herein by reference as part of the Financial Report of Management for the fiscal year 2017.
- During the Company's two (2) most recent fiscal years or any subsequent interim periods, the Company had no material disagreements with its external auditors, on accounting and financial disclosures.
- Representatives of the Company's external auditors are expected to be present at the Annual Meeting and will have opportunity to make a statement, if they desire to do so, and are expected to be available to respond to appropriate questions.

Pursuant to the General Requirements of SRC Rule 68, Section 3.b.iv (Qualifications of Independent Auditors), the external auditors shall be rotated every after five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The Company is in compliance with SRC Rule 68, Section 3.b.iv.

Item 11. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters to be discussed under Mergers, Consolidations, Acquisitions and Similar Matters.

Item 12. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 13. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital, or surplus account of the Registrant.

3. OTHER MATTERS

Item 14. Action with Respect to Reports

The following reports will be submitted for approval by the Stockholders:

1. The Minutes of the Annual Stockholders' Meeting held on 18 December 2017.

2. Audited Financial Statements for the year ended 31 December 2017.
3. Annual report for the year 2017.

Item 15. Matters Not Required to be Submitted

Other than those mentioned, there are no other actions to be taken at the Annual Meeting with respect to any matter which is not required to be submitted to a vote of security holders.

Item 16. Other Proposed Actions

- (a) *Ratification of All Acts of Management and the Board of Directors for the period 18 December 2017 to the date of the Stockholders' Meeting*

Stockholders' approval and / or ratification is sought with respect to the following results of meeting, actions and reports of the Board of Directors and Management for the period 18 December 2017 to the date of the Stockholders' Meeting :

Date	Results of Meeting, Action and Report																
18 December 2017	<p>Result of the Annual Stockholders' Meeting</p> <ol style="list-style-type: none"> 1. Approval of the Minutes of the Annual Stockholders' Meeting held on 8 December 2016. 2. Adoption of the Audited Financial Statements and Annual Reports for the calendar year ended 31 December 2016. 3. Annual Report of the President / Chairman. 4. Election of the following directors: <table border="1" style="margin-top: 10px; width: 100%;"> <thead> <tr> <th style="text-align: center;">Director</th><th style="text-align: center;">Nationality</th></tr> </thead> <tbody> <tr> <td style="text-align: center;">Antonio Victoriano F. Gregorio III</td><td style="text-align: center;">Filipino</td></tr> <tr> <td style="text-align: center;">Chi Ho Co</td><td style="text-align: center;">Filipino</td></tr> <tr> <td style="text-align: center;">Delfin S. Castro, Jr.</td><td style="text-align: center;">Filipino</td></tr> <tr> <td style="text-align: center;">Richard N. Palou</td><td style="text-align: center;">Filipino</td></tr> <tr> <td style="text-align: center;">Ramoncito B. Cabalu</td><td style="text-align: center;">Filipino</td></tr> <tr> <td style="text-align: center;">Felixes G. Latonero (Independent Director)</td><td style="text-align: center;">Filipino</td></tr> <tr> <td style="text-align: center;">Manuel G. Ong (Independent Director)</td><td style="text-align: center;">Filipino</td></tr> </tbody> </table> <p>Messrs. Latonero and Ong submitted their credentials to support their qualifications for the positions of Independent Directors. The Company adopts SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and compliance therewith has been made. The Company always undertakes to abide by the existing SRC Rule 38 on the required number of independent directors subject to any revision that may be prescribed by the SEC.</p> <ol style="list-style-type: none"> 5. Authorization upon the Board of Directors to appoint the Company's external auditor for 2017. 	Director	Nationality	Antonio Victoriano F. Gregorio III	Filipino	Chi Ho Co	Filipino	Delfin S. Castro, Jr.	Filipino	Richard N. Palou	Filipino	Ramoncito B. Cabalu	Filipino	Felixes G. Latonero (Independent Director)	Filipino	Manuel G. Ong (Independent Director)	Filipino
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Manuel G. Ong (Independent Director)	Filipino																

	<p>6. Approval of all acts of the Board of Directors and Management for the period covered from the last Annual Stockholders Meeting of the Corporation held on 8 December 2016 to the date of the 2017 Annual Stockholders Meeting.</p>																																																		
	<p>At the organizational meeting of the Board of Directors the following transpired:</p> <ol style="list-style-type: none"> 1. Election of the officers of the Corporation: <table border="1"> <tr> <td>Chairman</td> <td>Antonio Victoriano F. Gregorio III</td> </tr> <tr> <td>President</td> <td>Chi Ho Co</td> </tr> <tr> <td>Treasurer & CFO</td> <td>Delfin S. Castro, Jr.</td> </tr> <tr> <td>Corporate Secretary, Corporate Information Officer & Compliance Officer</td> <td>Venus L. Gregorio</td> </tr> </table> <ol style="list-style-type: none"> 2. Appointment of members to the following Committees: <table border="1"> <thead> <tr> <th colspan="2">Executive Committee</th> </tr> </thead> <tbody> <tr> <td>Antonio Victoriano F. Gregorio III</td> <td>Chairman</td> </tr> <tr> <td>Richard N. Palou</td> <td>Member</td> </tr> <tr> <td>Chi Ho Co</td> <td>Member</td> </tr> <tr> <td>Manuel G. Ong</td> <td>Member</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Governance Committee</th> </tr> </thead> <tbody> <tr> <td>Manuel G. Ong</td> <td>Chairman</td> </tr> <tr> <td>Felixes G. Latonero</td> <td>Member</td> </tr> <tr> <td>Richard N. Palou</td> <td>Member</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Nominations Committee</th> </tr> </thead> <tbody> <tr> <td>Antonio Victoriano F. Gregorio III</td> <td>Chairman</td> </tr> <tr> <td>Chi Ho Co</td> <td>Member</td> </tr> <tr> <td>Manuel G. Ong</td> <td>Member</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Audit Committee</th> </tr> </thead> <tbody> <tr> <td>Manuel G. Ong</td> <td>Chairman</td> </tr> <tr> <td>Chi Ho Co</td> <td>Member</td> </tr> <tr> <td>Antonio Victoriano F. Gregorio III</td> <td>Member</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Compensation Committee</th> </tr> </thead> <tbody> <tr> <td>Manuel G. Ong</td> <td>Chairman</td> </tr> <tr> <td>Delfin S. Castro, Jr.</td> <td>Member</td> </tr> <tr> <td>Richard N. Palou</td> <td>Member</td> </tr> </tbody> </table>	Chairman	Antonio Victoriano F. Gregorio III	President	Chi Ho Co	Treasurer & CFO	Delfin S. Castro, Jr.	Corporate Secretary, Corporate Information Officer & Compliance Officer	Venus L. Gregorio	Executive Committee		Antonio Victoriano F. Gregorio III	Chairman	Richard N. Palou	Member	Chi Ho Co	Member	Manuel G. Ong	Member	Governance Committee		Manuel G. Ong	Chairman	Felixes G. Latonero	Member	Richard N. Palou	Member	Nominations Committee		Antonio Victoriano F. Gregorio III	Chairman	Chi Ho Co	Member	Manuel G. Ong	Member	Audit Committee		Manuel G. Ong	Chairman	Chi Ho Co	Member	Antonio Victoriano F. Gregorio III	Member	Compensation Committee		Manuel G. Ong	Chairman	Delfin S. Castro, Jr.	Member	Richard N. Palou	Member
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18 December 2017	<p>Meeting of the Board of Directors where the following were approved and ratified:</p> <ol style="list-style-type: none"> 1. Appointment of Mangay-ayam, Lim & Co. CPAs as the External Auditor for the year ended 31 December 2017. 2. Postponement of the Annual Stockholders' Meeting scheduled to be held on 2nd Thursday of May to a specific date and time to be determined by the President and / or Chairman. 																																																		
31 January 2018	<p>Meeting of the Board of Directors where the following were approved and ratified:</p>																																																		
5 April 2018	<p>Meeting of the Board of Directors where the following were approved and ratified:</p>																																																		

	Board Approval of the Annual Audited Financial Statements and Annual Report for the year ended 31 December 2017.
24 August 2018	<p>Meeting of the Board of Directors where the following were approved and ratified:</p> <ol style="list-style-type: none"> 1. Approval of the Amended Code of Business Conduct and Ethics a copy of which is hereto attached. 2. The President, effective immediately, likewise appointed Venus L. Gregorio as Investor Relations Officer.

Item 17. Voting Procedures

(a) Vote Required for Approval

In all items for which stockholders' approval is sought as described in this Information Statement, each share of stock entitles its registered holder to one (1) vote.

All other matters subject to vote, except in cases where the law provides otherwise, shall be decided by the majority vote of stockholders present in person or by his proxy, if there be such proxy, and entitled to vote thereat, provided that a quorum is present.

(b) Method by which votes will be counted

There is no manner of voting prescribed in the By-Laws of the Company. Hence, voting may be done by *viva voce*, show of hands or by balloting.

The Corporate Secretary will be responsible for counting of votes based on the number of shares entitled to vote owned by stockholders who are present or represented by proxies at the Annual Meeting.

PART III.

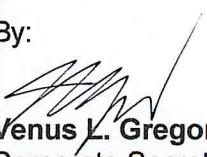
SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, we certify that the information set forth in this report is true, complete and correct.

This report is signed in Quezon City on 12 November 2018.

**LODESTAR INVESTMENT
HOLDINGS CORPORATION**

By:



Venus L. Gregorio
Corporate Secretary

Management Report

A. Management Discussion and Analysis and Plan of Operation

Management's Discussion and Analysis (MD&A) or Plan of Operations

On July 21, 2015, the Company entered into Cancellation of the Heads of Agreement, Amended Heads of Agreement and Allied Contracts with Abacus Consolidated Resources Holdings, Inc. (ABACORE) and Abacus Coal Exploration and Development Corporation (ABACOAL). The cancellation was necessitated by the fact that the Merger with ABACOAL was not approved by LIHC shareholders for lack of quorum during the Annual Shareholder's Meetings called for the last three (3) years.

By way of background, On September 24, 2008, the Company entered into a Heads of Agreement with Music Semiconductors Corporation ("MSC") and ABACORE for the joint acquisition by the Company and MSC of all issued and outstanding shares of stock of ABACOAL, a subsidiary of ABACORE. The Company and MSC have likewise entered into an Agreement for Joint Investment which was amended in 2008 to effect a transfer of all the rights and interests of MSC in ABACOAL to Lodestar.

On November 3, 2010, ABACOAL and the Company further revised the terms of the Heads of Agreement and agreed that the Company shall acquire the Coal property and all the other assets and liabilities of ABACOAL by and through a merger, with the Company as the surviving entity. By virtue of said merger, the Company shall issue 250,000,000 new common shares at a par value of ₱0.10 and an agreed issue value of ₱0.90 to ABACOAL.

On April 12, 2011, the Department of Energy approved the conversion of Coal Operating Contract 148 to Development and Production phase. The proposed 5-year work program of ABACOAL was evaluated and found to be technically and financially qualified to undertake development and production of coal resources located at Tago, Surigao del Sur.

On 16 October 2012, the Board of Directors of Lodestar authorized the Chairman to sign and execute a Plan of Merger with ABACOAL. The Plan of Merger with ABACOAL was not approved for lack of the necessary votes of 2/3 majority of Lodestar's shareholders. Considering the inability of the Company to have the Plan of Merger approved, the Board of Directors passed the necessary resolutions to cancel the Heads of Agreement.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share. Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱0.10) per share. On December 8, 2016, the stockholders representing approximately 67.23 % of

the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in the meeting.

Meantime, in line with the primary purpose of the Company as a holdings corporation, business outlook for 2017 and 2018 is geared towards looking for other business ventures. Thus, the Company may again tap into various sources to look for opportunities in the various business sectors that are viable, growing and profitable. The Company's strategy will be to invest-buy-in or acquire businesses where the Company will at least own a significant stake or interest of the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

From its increase of capital stock the Company has investable funds and working capital for prospective projects. Specifics of such deals, if any, will be properly disclosed in accordance with the continuing disclosure requirements of the SEC and the PSE.

Likewise, for the next twelve (12) months, the Company's cash requirements may still be satisfied from the proceeds/ collection of advances from stockholder and private placements.

At the current time, the Company has no definitive plans of:

- a. undertaking any product research and development;
- b. acquiring, purchasing or selling of any plant and significant equipment; and
- c. increasing the number of employees.

B. Description of Property

The Company does not own any real or personal properties at the current time. It does not own any real estate, plant and equipment, mines, patents, etc. The Company has no plans to acquire any properties in the next twelve (12) months.

Financial Condition

**Third Quarter 2018
(Unaudited Financial Statements)**

Revenues

The Company did not earn any revenue during the nine-month period ended September 30, 2018 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₱ 1.97 million or 78% from ₱ 2.52 million in September 2017 to ₱ 0.55 million in September 2018. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 0.51 million for the interim period ended September 2018 which is 80% or ₦1.96 million lower as compared to net loss of ₦ 2.46 million incurred for the same period in 2017.

The Company's Total Assets comprising of Current Assets amount to ₦ 241.46 million which is 0.29% or ₦ 0.71 million lower than that of September 30, 2017 balance amounting to ₦242.17 million.

The Company's Total Liabilities increased by ₦ .033 million or 3.34% from ₦1.01 million in September 2017 to ₦ 1.05 million in September 2018.

Stockholders' equity posted a 0.31% or ₦ 0.74 million decrease from ₦241.16 million in September 2017 to ₦240.42 million in September 2018, attributable mainly to expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of September 30, 2018 as compared with pro-forma Balance Sheet as of September 30, 2017 (increase/decrease of 5 % or more)

100 % or ₦ 2.04 million increase in advances to a stockholder from ₦ nil in September 2017 to ₦2.04 million in September 2018. This is due to additional advances made in 2017.

51.47% or ₦ 3.43 million decrease in other current assets from ₦ 6.67 million in September 2017 to ₦3.24 million in September 2018 due to collection of other receivables.

3.34% or ₦ 0.034 million increase in liabilities from ₦ 1.01 million in September 2017 to ₦1.05 million in September 2018 due to partial settlement of payables.

Key Performance Indicators

Considering the Company's non-operational status, the key performance indicators of the Company are as follows:

	September 30, 2018	September 30, 2017
Current Ratio (1)	230.22x	238.62x
Quick Ratio (2)	225.20x	232.05x
Debt-equity ratio (3)	0.004x	0.004x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

- (1) *Current Assets / Current Liabilities*
 - September 2018 (₦ 241,464,818/₦ 1,048,806)
 - September 2017 (₦ 242,172,436/₦ 1,014,876)

- (2) *Cash / Current Liabilities*
 - September 2018 (₦ 236,187,215/₦ 1,048,806)
 - September 2017 (₦ 235,505,284/₦ 1,014,876)

- (3) *Debt / Equity*
 - September 2018 (₦1,048,806/₦240,416,012)
 - September 2017 (₦1,014,876/₦241,157,560)

- (4) *Equity /Subscribed Shares*
 - September 2018 (₦240,416,012/3,000,000,000)
 - September 2017 (₦241,157,560/3,000,000,000)

The Current Ratio is the general measure of a company's liquidity. It represents the ratio of all current assets to all current liabilities. It is sometimes called the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities.

The Quick Ratio is another measure of a company's liquidity. It is used to measure a company's ability to pay its liabilities using assets that are cash or very liquid. Since the Company does not have any marketable securities and accounts receivables, the computation of this ratio was based on cash alone. Quick ratio for the current period is higher as compared to the same period of last year.

The Debt to Equity Ratio is a measure of leverage, or the relative amount of funds provided by lenders and owners. This measures the amount of debt being used by the Company. The ratio for the current period is lower as compared with that of last year due to the payment of accrued expenses.

Book value Per Share is a measure of stockholders' equity. It represents the difference between total assets and total liabilities divided by the total number of shares outstanding.

Net Profit Margin Ratio related to the profits of a company to its sales, assets or equity. It indicates the rate of profit from sales and other revenues. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

Additional Financial Soundness Indicators

	September 30, 2018	September 30, 2017
Asset to equity ratio (1)	1.00x	1.00x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) Total Assets / Total Equity

September 2018 (₱ 241,464,818/₱ 240,416,012)
September 2017 (₱ 242,172,436/₱ 241,157,560)

(2) Income before Interest and Taxes / Interest Expense

September 2018 N/A
September 2017 N/A

(3) Gross Profit / Sales

June 2018 N/A
June 2017 N/A

Asset to Equity ratio measures the financial leverage and long term solvency of the Company. It is derived by dividing the total asset from its total equity.

Interest Coverage Ratio determines how easily a company can pay interest on outstanding debt. The Company did not incur any interest on its advances.

Gross Profit Margin is derived by dividing gross profit by the sales. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company

is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;

- b) 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;
- c) There are no 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;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- f) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- h) No seasonal or cyclical factor that affected this quarter's interim operations.

Second Quarter 2018 **(Unaudited Financial Statements)**

Revenues

The Company did not earn any revenue during the six-month period ended June 30, 2018 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₦ 1.76 million or 78% from ₦ 2.24 million in June 2017 to ₦ 0.48 million in June 2018. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 0.44 million for the interim period ended June 2018 which is 80% or ₦ 1.76 million lower as compared to net loss of ₦ 2.20 million incurred for the same period in 2017.

The Company's Total Assets comprising of Current Assets amount to ₦ 241.53 million which is 0.45% or ₦ 1.10 million lower than that of June 30, 2017 balance amounting to ₦ 242.64 million.

The Company's Total Liabilities decreased by ₦ 0.17 million or 13.91% from ₦ 1.22 million in June 2017 to ₦ 1.05 million in June 2018.

Stockholders' equity posted a 0.39% or ₦ 0.93 million decrease from ₦ 241.42 million in June 2017 to ₦ 240.48 million in June 2018, attributable mainly to expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of June 30, 2018 as compared with pro-forma Balance Sheet as of June 30, 2017 (increase/decrease of 5 % or more)

405.39 % or ₦ 1.71 million increase in advances to a stockholder from ₦ 0.42 million in June 2017 to ₦2.13 million in June 2018. The significant increase is due to additional advances made in 2017.

51.48% or ₦ 3.43 million decrease in other current assets from ₦ 6.67 million in June 2017 to ₦3.23 million in June 2018 due to collection of other receivables.

13.91% or ₦ 0.17 million decrease in liabilities from ₦ 1.22 million in June 2017 to ₦1.05 million in June 2018 due to partial settlement of payables.

Key Performance Indicators

Considering the Company's non-operational status, the key performance indicators of the Company are as follows:

	June 30, 2018	June 30, 2017
Current Ratio (1)	229.98x	198.88x
Quick Ratio (2)	224.87x	193.08x
Debt-equity ratio (3)	0.004x	0.005x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

(1) Current Assets / Current Liabilities

June 2018 (₦ 241,532,188/₦ 1,050,245)
June 2017 (₦ 242,635,507/₦ 1,219,952)

(2) Cash / Current Liabilities

June 2018 (₦ 236,169,155/₦ 1,050,245)
June 2017 (₦ 235,547,815/₦ 1,219,952)

(3) Debt / Equity

June 2018 (₦ 1,050,245/₦ 240,481,942)
June 2017 (₦ 1,219,952/₦ 241,415,555)

(4) Equity /Subscribed Shares

June 2018 (₦ 240,481,942/3,000,000,000)
June 2017 (₦ 241,415,555/3,000,000,000)

The Current Ratio is the general measure of a company's liquidity. It represents the ratio of all current assets to all current liabilities. It is sometimes called the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities.

The Quick Ratio is another measure of a company's liquidity. It is used to measure a company's ability to pay its liabilities using assets that are cash or very liquid. Since the Company does not have any marketable securities and accounts receivables, the computation of this ratio was based on cash alone. Quick ratio for the current period is higher as compared to the same period of last year.

The Debt to Equity Ratio is a measure of leverage, or the relative amount of funds provided by lenders and owners. This measures the amount of debt being used by the Company. The ratio for the current period is lower as compared with that of last year due to the payment of accrued expenses.

Book value Per Share is a measure of stockholders' equity. It represents the difference between total assets and total liabilities divided by the total number of shares outstanding.

Net Profit Margin Ratio related to the profits of a company to its sales, assets or equity. It indicates the rate of profit from sales and other revenues. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

Additional Financial Soundness Indicators

	June 30, 2018	June 30, 2017
Asset to equity ratio (1)	1.00x	1.02x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) Total Assets / Total Equity

June 2018	(₱ 241,532,188 / ₱ 240,481,942)
June 2017	(₱ 242,635,507 / ₱ 241,415,555)

(2) Income before Interest and Taxes / Interest Expense

June 2018	N/A
June 2017	N/A

(3) Gross Profit / Sales

June 2018	N/A
June 2017	N/A

Asset to Equity ratio measures the financial leverage and long term solvency of the Company. It is derived by dividing the total asset from its total equity.

Interest Coverage Ratio determines how easily a company can pay interest on outstanding debt. The Company did not incur any interest on its advances.

Gross Profit Margin is derived by dividing gross profit by the sales. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) 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;
- c) There are no 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;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;

- g) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- i) No seasonal or cyclical factor that affected this quarter's interim operations.

First Quarter 2018 **(Unaudited Financial Statements)**

Revenues

The Company did not earn any revenue during the three-month period ended March 31, 2018 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₦ 28.40 thousand or 6.60% from ₦ 428.28 thousand in March 2017 to ₦ 399.88 thousand in March 2018. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 359.14 thousand for the interim period ended March 2018 which is 15.80% or ₦ 67.15 thousand lower as compared to net loss of ₦ 426.30 thousand incurred for the same period in 2017.

The Company's Total Assets comprising of Current Assets amount to ₦ 241.61 million which is 155.27% or ₦ 146.96 thousand lower than that of March 31, 2017 balance amounting to ₦ 94.65 million.

The Company's Total Liabilities decreased by ₦ 405.39 thousand or 27.85% from ₦ 1.46 million in March 2017 to ₦ 1.05 million in March 2018.

Stockholders' equity posted a 158.13% or ₦ 147.37 million increase from ₦ 93.19 million in March 2017 to ₦ 240.56 million in March 2018, attributable mainly to increase in capital stock net of expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of March 31, 2018 as compared with pro-forma Balance Sheet as of March 31, 2017 (increase/decrease of 5 % or more)

173.49 % or ₦ 149.84 million increase in Cash and cash equivalents from ₦ 86.36 million in March 2017 to ₦ 236.20 million in March 2018. The significant increase is due to additional subscription of capital stock and deposit for future subscription.

31.44 % or ₦ 521 thousand increase in advances from a stockholder from ₦ 1.66 million in March 2017 to ₦ 2.18 million in March 2018. The significant increase is due to additional advances made in 2017.

51.18% or ₦ 3.39 million decrease in other current assets from ₦ 6.63 million in March 2017 to ₦ 3.23 million in March 2018 due to collection of other receivables.

27.85% or ₦ 405.39 thousand decrease in liabilities from ₦ 1.46 million in March 2017 to ₦ 1.05 million in March 2018 due to partial settlement of payables.

100 % or ₦ 150 million increase in capital stock and deposit in future subscription from ₦ 150 million in March 2017 to ₦300 million in March 2018 due to increase in paid up capital.

2.13% or ₦ 2.63 million increase in deficit due to losses incurred during the period.

Key Performance Indicators

Considering the Company's non-operational status, the key performance indicators of the Company are as follows:

	March 31, 2018	March 31, 2017
Current Ratio (1)	230.07x	65.03x
Quick Ratio (2)	224.91x	59.33x
Debt-equity ratio (3)	0.004x	0.016x
Book value per share (4)	0.08x	0.09x
Net Profit Margin (5)	NA	NA

(1) Current Assets / Current Liabilities

March 2018 (₦ 241,613,644/₦ 1,050,179)
March 2017 (₦ 94,648,765/₦ 1,455,571)

(2) Cash / Current Liabilities

March 2018 (₦ 236,200,664/₦ 1,050,179)
March 2017 (₦ 86,365,217/₦ 1,455,571)

(3) Debt / Equity

March 2018 (₦ 1,050,179/₦ 240,563,465)
March 2017 (₦ 1,455,571/₦ 93,193,194)

(4) Equity /Subscribed Shares

March 2018 (₦ 240,563,465/3,000,000,000)
March 2017 (₦ 93,193,194/1,000,000,000)

The Current Ratio is the general measure of a company's liquidity. It represents the ratio of all current assets to all current liabilities. It is sometimes called the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities. Current ratio is significantly higher than the same period last year due to cash brought about by the increase in authorized capital stock.

The Quick Ratio is another measure of a company's liquidity. It is used to measure a company's ability to pay its liabilities using assets that are cash or very liquid. Since the Company does not have any marketable securities and accounts receivables, the computation of this ratio was based on cash alone. Quick ratio for the current period is higher as compared to the same period of last year.

The Debt to Equity Ratio is a measure of leverage, or the relative amount of funds provided by lenders and owners. This measures the amount of debt being used by the Company. The ratio for the current period is lower as compared with that of last year due to the payment of accrued expenses and an increase in authorized capital stock.

Book value Per Share is a measure of stockholders' equity. It represents the difference between total assets and total liabilities divided by the total number of shares outstanding.

Net Profit Margin Ratio related to the profits of a company to its sales, assets or equity. It indicates the rate of profit from sales and other revenues. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

Additional Financial Soundness Indicators

	March 31, 2018	March 31, 2017
Asset to equity ratio (1)	1.00x	1.02x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) *Total Assets / Total Equity*

March 2018	(P 241,613,644/P 240,563,465)
March 2017	(P 94,648,765/P 93,193,194)

(2) *Income before Interest and Taxes / Interest Expense*

March 2018	N/A
March 2017	N/A

(3) *Gross Profit / Sales*

March 2018	N/A
March 2017	N/A

Asset to Equity ratio measures the financial leverage and long term solvency of the Company. It is derived by dividing the total asset from its total equity.

Interest Coverage Ratio determines how easily a company can pay interest on outstanding debt. The Company did not incur any interest on its advances.

Gross Profit Margin is derived by dividing gross profit by the sales. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) 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;
- c) There are no 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;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- h) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- j) No seasonal or cyclical factor that affected this quarter's interim operations.

Full Fiscal Year

Calendar Year 2017

Key Financial Indicator	Year 2017	Year 2016	Year 2015
Revenues	1,066,520	154,114	50,809
Cost and Expenses	3,763,403	2,435,685	2,130,134
Other Losses	-	1,108,560	20,000,000
Net Income (Loss)	(2,696,883)	(3,390,131)	(22,079,325)
Current Assets	241,970,826	95,204,724	22,557,884
Current Liabilities	1,048,218	1,585,233	1,548,480
Total Assets	241,970,826	95,204,724	22,558,102
Total Liabilities	1,048,218	1,585,233	1,548,480
Stockholders' Equity	240,922,608	93,619,491	21,009,622
Current Ratio	230.84	60.06	14.57
Current Assets / Current Liabilities	241,970,826 / 1,048,218	95,204,724 / 1,585,233	22,557,884 / 1,548,480
Debt to Equity Ratio	0.004	0.017	0.074
Total Liabilities/Stockholders' Equity	1,048,218 /240,922,608	1,585,233 /93,619,491	1,548,480 /21,009,622
Return on assets	NA	NA	NA
Net Income / Total Assets			
Earnings (Loss) Per Share	(0.001)	(0.003)	(0.030)
Net Income (Loss) /No. of shares outstanding	(2,696,883)/ 3,000 B	(3,390,131)/ 1,000 B	(22,079,325)/ 740 M

The Current Ratio is the general measure of a company's liquidity. It represents the ratio of all current assets to all current liabilities. It is sometimes called the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities. Current ratio is higher than the same period last year due to cash brought about by private placement activities.

The Debt to Equity Ratio is a measure of leverage, or the relative amount of funds provided by lenders and owners. This measures the amount of debt being used by the Company. The ratio for the current period is lower as compared with that of last year.

Return on assets is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings.

Earnings per share (EPS) are the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

Calendar Year 2017

For 2017, Lodestar has yet to undertake commercial operations, hence, reported losses in 2017 amount to ₦2.70 million. For the next twelve months, the proceeds from its private

placements will provide the Company with investable funds and working capital for prospective projects.

On June 14, 2017, the Securities and Exchange Commission approved the increase of capital stock via private placements from One Billion (1,000,000,000) common shares with a par value of Ten Centavos (₱ 0.10) per share to Three Billion (3,000,000,000) common shares with a par value of Ten Centavos (₱ 0.10).

Portions of the proceeds of these transactions will be used for investments into corporate undertakings or businesses though these are still not yet definite or identified as of date, hence, no acquisition or combination has resulted from, or accompanies the transactions.

The above transactions resulted to a 172.3 % or ₱ 149.43 million increase in cash from ₱ 86.75 million in Dec. 31, 2016 to ₱ 236.18 million in Dec. 31, 2017.

There was a 39.2% or ₱ 727.82 thousand net increase in related party transactions

There was a 51.4% or ₱3.39 million decrease in other current assets due to collection of receivables from a third party.

There was a 33.9% or ₱ 537.01 thousand net decrease in liabilities due to partial settlement of payables.

There was a 100% increase in capital stock due to full payment of private placements made in 2016. An increase of 2.2% or ₱ 2.70 million in deficits is mainly due to the net loss incurred during the year.

For 2017, interest income of ₱1.07 million was 592.00% or ₱912.41 thousand higher as compared to 2016 interest income of only ₱ 154.11 thousand due to substantial increase in cash brought about by full payment of private placements.

Cost and expenses of ₱ 3.76 million was 54.51% or ₱1.33 million higher compared to 2016 operating expenses of ₱ 2.44 million. The increase is mainly attributable to cost of documentary stamp tax and filing fees paid relative to the increase in authorized capital stock.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

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

There are no seasonal aspects that had a material effect on the Company's financial condition or results of operations.

There are no material events and uncertainties known to management that would address the past and would have an impact on future operations of the Registrant.

Calendar Year 2016

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreements with the following investors:

1. Mr. Nathaniel Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share for a total subscription amount of Twenty Six Million Pesos (₱26,000,000.00). The Subscribed Shares shall be issued out of the Company's current authorized capital stock of One Hundred Million Pesos (₱100,000,000.00) consisting of One Billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share. Full payment of the subscription was made on November 10, 2016.
2. Ms. Socorro P. Lim, for the subscription via private placement, to two billion (2,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share for a total subscription amount of Two Hundred Million Pesos (₱200,000,000.00). The Subscribed Shares shall be issued out of the increase in the Company's authorized capital stock from One Hundred Million Pesos (₱100,000,000.00) consisting of One Billion (1,000,000,000) common shares with a par value of Ten Centavos (₱0.10) per share to Three Hundred Million Pesos (₱300,000,000.00) consisting of Three Billion (3,000,000,000) common shares. The required 25% payment downpayment of the subscription amounting to Fifty Million Pesos (₱50,000,000.00) was made on November 15, 2016 and the balance shall be paid within 15 days from SEC approval of the capital increase.

Portions of the proceeds of these transactions will be used for investments into corporate undertakings or businesses though these are still not yet definite or identified as of date, hence, no acquisition or combination has resulted from, or accompanies the transactions.

The Company needs funds to sustain its listing status and invest in businesses and undertakings which the board of directors will deem beneficial for the Company.

The above transactions resulted to a 561.85 % or ₱ 73.64 million increase in cash.

There was 10.56% or ₱998.26 thousand decrease in other current assets due to provision of uncollectible accounts net of additional input taxes earned during the period.

There was 2.37% or ₱ 36.76 thousand increase in accrued expenses attributable to accrual of legal fees and audit fees for the year.

There was an increase in deficit of 2.83% or ₱ 3.39 million mainly due to the net loss incurred during the year.

For 2016, interest income of ₱154 thousand was 222.68% or ₱106.35 thousand higher as compared to 2015 interest income of only ₱ 47.76 thousand due to substantial increase in cash brought about by the cancellation of Heads of Agreement and allied contract with ABACORE and additional payments from the private placements.

Expenses of ₦ 3.51 million was 84.12% or ₦18.61 million lower compared to 2015 operating expenses of ₦ 22.12 million mainly attributable to losses brought about by the cancellation of agreements with ABACORE amounting to ₦20 million incurred in 2015 net of provision for all uncollectible accounts for 2016 .

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

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

There are no seasonal aspects that had a material effect on the Company's financial condition or results of operations.

There are no material events and uncertainties known to management that would address the past and would have an impact on future operations of the Registrant.

Calendar Year 2015

On September 26, 2008, the Board of Directors authorized the Company to enter into a Heads of Agreement with Abacus Consolidated Resources and Holdings, Inc. ("ABACON") and Musx Corporation ("Musx") for the joint acquisition by the Company and Musx of all the outstanding and issued shares of Abacus Coal and Exploration and Development Corporation ("ABACOAL"). The joint acquisition was amended on May 21, 2009 whereby the Company acquires the right to purchase one hundred percent (100%) of the shares of stock of ABACOAL.

On July 21, 2015, the Company entered into Cancellation of the Head of Agreement and allied Contracts with Abacus Consolidated Resources Holdings, Inc. (ABACORE) and ABACOAL. The cancellation was necessitated by the fact that the Merger with ABACOAL was not approved by LIHC shareholders for lack of quorum during the Annual Shareholder's Meetings called from 2012 to 2015. In consideration of signing the Cancellation Agreement, ABACORE paid the Company a portion of the deposit for future stock investment amounting to ₦17.0 million. Accordingly, the Company recognized a loss of ₦20.0 million for the unrecovered portion which is presented as Loss on Cancellation of an Agreement. Partial payment of ₦13.5 million contributed to the increase in cash while the balance was presented as collectible.

The reported interest income earned on bank accounts amounting to ₦47,760 was ₦46,998 or 6,168% higher than the interest recorded for the year 2014 of ₦ 762. The increase was

due mainly to additional cash as a result of cancellation of the Heads of Agreement by and between Lodestar, ABACOAL and ABACORE. Other income of ₦ 3,049 was derived from reversal of long outstanding liability.

The ₦2.12 million operating expenses for 2015 was 8.19% or ₦ 160.54 thousand higher when compared to 2014 expenses amounting to ₦1.96 million. The increase was attributed to the net effect of the following expenses:

1. Legal Fees – 53.27% or ₦388.89 thousand higher from ₦730 thousand in 2014 to ₦1.12 million in 2015 due to legal fees incurred for the cancellation of various contracts related to ABACOAL.
2. Salaries and Employee benefits – 68.51% or ₦190.99 thousand lower.
3. Director's fees – 14.29% or ₦ 16.66 thousand higher from ₦116.67 thousand in 2014 to ₦133.33 thousand in 2015 due to higher number of attendees.
4. Office supplies and other expenses – 48.73% or ₦ 37.46 thousand lower from ₦ 76.87 thousand in 2014 to ₦39.41 thousand in 2015.
5. Professional Fees – 8.79% or ₦ 13.11 thousand lower from ₦149.11 thousand in 2014 to ₦136 thousand in 2015 due to cancellation of a contract with a professional.
6. Representation Expense – 48.62% or ₦14.01 thousand lower from ₦ 28.81 thousand in 2014 to ₦ 14.8 thousand in 2015.
7. Transportation and Travel expenses – 66.40% or ₦3.56 thousand lower from ₦5.36 thousand in 2014 to ₦1.8 thousand in 2015.
8. Printing – 21.53% or ₦14.01 thousand increase from ₦ 65.06 thousand in 2014 to ₦ 79.07 thousand in 2015.
9. Taxes and Licenses – 0.66% or ₦0.1 thousand increase from ₦ 15.07 thousand in 2014 to ₦ 15.17 thousand in 2015.

The cancellation of the Heads of Agreement, Amended Heads of Agreement and Allied Contracts entails returned of payments made amounting to ₦ 17 million resulting to additional cash input of ₦13.5 million, receivables of ₦ 3.5 million and losses aggregating ₦20 million.

The above mentioned additional cash input net of expenses incurred during the year contributed to an increase in cash and cash equivalents of ₦ 12.72 million, from ₦ 383.75 thousand in 2014 to ₦ 13.11 million in 2015.

Likewise, this transaction plus a minimal increase in input vat of ₦ 62.6 thousand contributed to an increase in other current assets of ₦3.56 million.

Partial settlement of ₦0.6 million by a stockholder resulted to a decrease in advances from stockholder, from ₦ 2.46 million as of Dec. 2014 to ₦ 1.86 million in 2015.

Total liabilities of ₦ 1.55 million in 2015 is 96.95% or ₦ 762.26 thousand higher when compared to 2014 balances of only ₦ 786.22 thousand. The increase is due to additional legal fees incurred during the year.

Operating expenses net of interest earned from bank deposits and reversal of miscellaneous deposit plus other losses amounting to ₦20 million resulted to a net reduction in equity of ₦ 22.08 million, from ₦ 43.09 million in 2014 to ₦ 21.01 million in 2015.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

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

There are no seasonal aspects that had a material effect on the Company's financial condition or results of operations.

There are no material events and uncertainties known to management that would address the past and would have an impact on future operations of the Registrant.

C. Market Price, Shareholders and Dividend Information

(1) Market Price Information

The shares of stock of Lodestar Investment Holdings Corporation are traded in the Philippine Stock Exchange.

The table below summarizes the performance of the stock of the Corporation in the market for each quarter for the past two calendar years prior to the date of the Annual Stockholders' Meeting (based on closing prices of the shares with the PSE):

Period	High	Low
1st Quarter 2015	0.78	0.62
2nd Quarter 2015	0.82	0.66
3rd Quarter 2015	0.74	0.54
4th Quarter 2015	0.91	0.67
1st Quarter 2016	0.75	0.50
2nd Quarter 2016	0.80	0.66
3rd Quarter 2016	0.85	0.69
4th Quarter 2016	1.74	0.77
1st Quarter 2017	1.36	0.93
2nd Quarter 2017	1.19	0.97
3rd Quarter 2017	1.07	0.86
4th Quarter 2017	0.89	0.60
1st Quarter 2018	0.80	0.62
2nd Quarter 2018	0.68	0.52
3rd Quarter 2018	0.71	0.52

On 29 October 2018, the stock of the Corporation opened at ₱.55 per share, had a high of ₱.55 per share and a low of ₱.51 per share. The stock closed at ₱.54 per share with a volume of 502,000 shares traded in the market.

(2) Shareholders Information

As of 31 October 2018, the Company has a total of 60 shareholders, including shares that are lodged with the PCD and are in the name of the brokers.

The top shareholders of the Corporation as of 5 October 2018 are as follows:

Shareholder	Nationality	Number of Shares	Percentage of Ownership
Socorro P. Lim	Filipino	2,000,000,000	66.67%
PCD Nominee Corporation	Filipino	622,408,429 ¹	20.747%
Nathaniel C. Go	Filipino	260,000,000	8.667%

No other shareholder as of said date owns more than five (5%) of the Corporation.

Please find below the top 20 stockholders of the Company as of 20 October 2018.

	STOCKHOLDER	NATIONALITY	TOTAL SHARES	PERCENTAGE OF OWNERSHIP (%)
1	SOCORRO P. LIM	FILIPINO	2,000,000,000	66.67
2	PCD NOMINEE CORPORATION - FILIPINO	FILIPINO	622,408,429	20.747
3	NATHANIEL C. GO	FILIPINO	260,000,000	8.667
4	JERRY C. ANGPING	FILIPINO	165,977,000 ²	5.53
5	RENATO L. REYES	FILIPINO	72,000,000	2.40
6	RAMON L. ABAD JR.	FILIPINO	28,000,000	0.93
7	PCD NOMINEE CORPORATION - NON FILIPINO	OTHERS	10,082,001	0.336
8	JONES R. CASTRO	FILIPINO	1,700,000	0.05
9	RENATO LUMAGUE	FILIPINO	600,000	0.017
10	JOAQUIN CORPUS	FILIPINO	500,000	0.017
11	JOEL S. DIAZ	FILIPINO	500,000	0.017
12	WILLIAM T. ENRILE &/OR WILLIAM R. ENRILE II &/OR NELLY R. ENRILE	FILIPINO	500,000	0.013
13	ROSS W. GARLING	OTHERS	400,000	0.10
14	JOSE DE PERALTA	FILIPINO	300,000	0.10
15	JOVENAL GONZALES	FILIPINO	300,000	0.10
16	JOHN T. MESINA	FILIPINO	300,000	0.10
17	CESAR HABLERO	FILIPINO	160,000	0.005
18	WILLIAM STONE	OTHERS	100,010	0.003
19	REUBEN L. ALDERSON	OTHERS	100,000	0.003
20	AROROY MUNICIPAL COUNCIL EDUCATIONAL FUND	FILIPINO	100,000	0.003

There were no acquisition, business combination or other re-organization for 2018, hence there were no effects on the shareholdings of shareholders owning more than five percent (5%), directors / nominees and all directors and officers as a group. The Company has no commitments to directors and officers with respect to issuances of shares.

(3) Dividend Information

There are no dividends yet declared by the Corporation. Thus, for the last two (2) fiscal years, no dividends, whether cash or property, were declared by the Company. There are no provisions in the Articles of Incorporation nor is there any policy, board action or approval that restricts or provides any restriction on, or limit the payment of dividend on common shares.

¹ This includes the shares of Mr. Jerry C. Angping lodged with AP Securities, Inc.

(4) Recent Sales of Unregistered or Exempt Securities Including recent Issuance of Securities Constituting an Exempt Transaction

There were no sales of unregistered or exempt securities or issuance of securities constituting an exempt transaction for 2017 – 2018.

D. Compliance with Leading Practices on Corporate Governance

The Company observes and complies with the mandate of the SEC on matters involving corporate governance. In 2013, the Company implemented a comprehensive Manual on Corporate Governance allowing for the creation and mandating the functions, responsibilities and duties of the Executive Committee, Governance Committee and Risk Management Committee in addition to its standing committees namely the Nomination, Audit and Compensation Committees. Their powers, duties and responsibilities, as provided for in the By-laws as well as in the Manual on Corporate Governance, are compliant with and consistent with the policies formulated under SEC memorandum Circular No. 6 Series of 2009. On 29 May 2017, the Company approved the Amended Manual on Corporate Governance, a copy of which was filed with the SEC on 30 May 2017.

Likewise, in compliance with SEC Memorandum Circular No. 20 Series of 2013, the following Directors and Officers attended the Corporate Governance Seminar conducted by Risks, Opportunities, Assessment and Management (ROAM), Inc. on 19 December 2017 at The Rockwell Club, Rockwell Center, Makati City.

Name	Position
Antonio Victoriano F. Gregorio III	Chairman
Chi Ho Co	President
Delfin S. Castro, Jr.	Treasurer
Venus L. Gregorio	Corporate Secretary and CIO
Ramoncito B. Cabalu	Director
Manuel G. Ong	Independent Director

PART III – FINANCIAL INFORMATION

Business Plan

As an investment holding company, the Company will continue to evaluate various business opportunities and ventures that are viable, growing, and profitable.

The Company's strategy will be to invest, buy-in or acquire businesses where the Company will at least own a significant stake or interest of the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

The Company's capital raising plans are intended to provide the Company investable funds and working capital for the above-mentioned current and prospective projects.

Financial Statements

The Company's Annual Financial Statements for 2017 together with the notes thereto are attached together with the First, Second Third quarters of financial statements for 2018.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company had a new External Auditors for calendar year 2017. Also, in compliance with the BIR RMC No. 36-2016 and Professional Regulatory Board of Accountancy Resolution No. 03 Series of 2016, the financial statements and notes thereto for the calendar year ended 31 December 2017 were prepared by the Issuer's Interim Accountant. There were no disagreements with Accountants on accounting and financial disclosure.

Pursuant to the General Requirements of SRC Rule 68, Section 3.b.iv (Qualifications of Independent Auditors), the external auditors shall be rotated every after five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The Company is in compliance with SRC Rule 68, Section 3.b.iv.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

A. (1) Directors and Executive Officers

As of 30 September 2018, the Board of Directors and Executive Officers of the company consist of the following individuals:

Name	Position	Nationality	Period Served (as Director)
▪ Antonio V.F. Gregorio III	Director / Chairman	Filipino	2009 to present
▪ Chi Ho Co	Director / President	Filipino	2008 to present
▪ Delfin S. Castro, Jr.	Director / CFO / Treasurer	Filipino	2015 to present
▪ Ramoncito B. Cabalu	Director	Filipino	2015 to present
▪ Rochard N. Palou	Director	Filipino	2017 to present
▪ Felixes G. Latonero	Independent Director	Filipino	April 2011 to December 2016; 2017 to present
▪ Manuel G. Ong	Independent Director	Filipino	2015 to present
▪ Venus L. Gregorio	Corporate Information Officer / Corporate Secretary	Filipino	2012 to present

(2) Significant Employees

The Company maintains a skeletal force of technical and administrative personnel. For 2018, owing to the relatively small number of personnel, the Company does not know yet of any such personnel is expected to make significant contribution to the business, and thus has no significant employees to name and report.

(3) Family Relationships

Atty. Antonio Victoriano F. Gregorio and Atty. Venus L. Gregorio are spouses.

Other than the relationship disclosed above, the company is not aware of any other family relationships up to fourth civil degree, either by consanguinity or affinity, among the directors and officers of the Company.

(4) Involvement in Certain Legal Proceedings

Each of the director has certified that, during the past five years, they have not been involved in any insolvency or bankruptcy proceeding nor has any of them been convicted by final judgment in a criminal proceeding. Furthermore, none of the directors has been subject to any order permanently enjoining, barring, suspending or limiting their involvement in any type of business, securities, and commodities or banking activities, nor have they been found by any court in a civil action to have violated any securities or commodities law or regulation.

To the best of the Company's knowledge, there is no event listed below that occurred during the last five years up to the latest date that are material to an evaluation of the ability or integrity of any director or nominee for election as director, executive officer or control person of the Company:

- (a) Bankruptcy petition filed by or against any business of which a director or executive officer of the Company was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time;
- (b) Conviction by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or bargaining activities; and ;
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

ANNEX 'A'

LODESTAR INVESTMENT HOLDINGS CORP.

FINANCIAL STATEMENTS AND AUDITORS' REPORT
For the Year Ended December 31, 2017
(With Comparative Figures for 2016)

MANGAY-AYAM, LIM AND CO.,
Certified Public Accountants

LODESTAR INVESTMENT HOLDINGS CORPORATION

7th Floor Peaksun Bldg., 1505 Princeton St., corner Shaw Blvd.,
Brgy. Wack Wack Greenhills East, Mandaluyong City

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The Management of **LODESTAR INVESTMENT HOLDINGS CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2017 and 2016, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

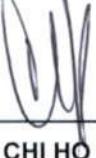
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Mangay-ayam, Lim and Co., CPA's, and Punongbayan & Araullo, the independent auditors appointed by the stockholders, have audited the financial statements of the Company in December 31, 2017 and 2016, respectively, in accordance with the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


ANTONIO VICTORIANO F. GREGORIO III
Chairman of the Board


CHI HO CO
President


DELFIN S. CASTRO, JR.
Treasurer

Signed this 17 day of APR 2018

SUBSCRIBED AND SWORN to before me this 12 day of APR 2018 2018 at Mandaluyong City.

NAME	TIN
Antonio Victoriano F. Gregorio III	TIN 201-897-602-000
Chi Ho Co	TIN 167-858-435-000
Delfin S. Castro, Jr.	TIN 164-381-790-000

Doc No.: 24
Page No.:
Book No.:
Series of 2018


ATTY. JUAN JAIME L. NOLASCO
NOTARY PUBLIC UNTIL DEC. 31, 2019
ISP NO. 097803 - 13/18 RGM
PTR NO. 2017849 - 13/18 - MAND. CITY
RNLI NO. 80998 / MOLE NO. VOLV118 / 3/2/16
UNIT 3F USG BLDG. MAYSSLO CIRCLE
Brgy. PLAINVIEW MAND. CITY



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
LODESTAR INVESTMENT HOLDINGS CORPORATION
7th Floor, Peaksun Building
1505 Princeton St. corner Shaw Boulevard
Brgy. Wack-WackGreenhills East,
Mandaluyong City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **LODESTAR INVESTMENT HOLDINGS CORPORATION** (the Company), which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

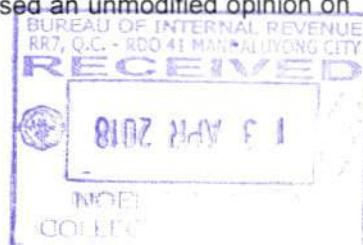
We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Matter

The financial statements of **LODESTAR INVESTMENT HOLDINGS CORPORATION** as of and for the year ended December 31, 2016 which are presented for comparative purposes were audited by another auditor whose report thereon expressed an unmodified opinion on those statements on March 24, 2017.



Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misinterpretations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe those matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extreme rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Bureau of Internal Revenue Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in the notes to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

The engagement partner on the audit resulting in this independent auditor's report is Rodrigo M. Mangay-ayam.

MANGAY-AYAM, LIM & CO. CPAS

TIN 228-756-505

Board of Accountancy Cert. No. 0672, valid until December 31, 2018

SEC Accreditation No. 0302-F, (Group A), valid until April 30, 2018

CDA-CEA: 0020-AF, valid until March 20, 2020

BIR AN: 08-001698-000-2018, valid until February 12, 2021

By:

RODRIGO M. MANGAY-AYAM

Partner

CPA Certificate No. 21565

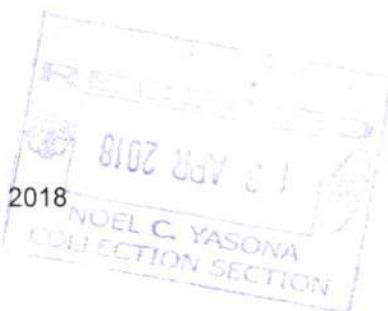
BOA Certificate No. 00672, valid until December 31, 2018

SEC Accreditation No. 1455-A, (Group A), valid until April 30, 2018

BIR AN: 08-001698-1-2018, valid until February 12, 2021

TIN No. 123-447-203

PTR No. 6629138MD, January 11, 2018, Makati City



April 05, 2018

**LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION**

December 31, 2017

*With Comparative Figures for 2016
(In Philippine Peso)*

	Notes	2017	2016
ASSETS			
Current Assets			
Cash	2,4	236,181,874	86,752,612
Due from related parties	2,7	2,584,892	1,857,076
Other current assets	2,5	3,204,060	6,595,036
TOTAL ASSETS		241,970,826	95,204,724
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	2,6	1,048,218	1,585,233
STOCKHOLDERS' EQUITY			
Capital Stock at P0.10 par value	8	300,000,000	100,000,000
Additional paid-in capital	8	66,714,858	66,714,858
Deposit for future stock subscription	8	-	50,000,000
Deficit	1	(125,792,250)	(123,095,367)
Net Stockholders' Equity		240,922,608	93,619,491
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		241,970,826	95,204,724

See accompanying notes to financial statements



**LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME**

For the Year ended December 31, 2017

With Comparative Figures for 2016 and 2015

(In Philippine Peso)

	Notes	2017	2016	2015
REVENUE		-	-	-
OPERATING EXPENSES				
Taxes and licenses	10	1,015,444	144,724	15,174
Legal fees	7	840,000	820,000	1,118,889
Professional fees		733,540	785,100	376,800
Listing and filing fees		422,585	-	
Membership dues		258,000	253,000	250,000
Directors' fees		138,889	205,556	133,333
Printing and office supplies		70,175	46,023	78,590
Representation and entertainment		42,806	26,280	14,800
Depreciation		-	218	3,452
Transportation and travel		-	2,090	1,800
Impairment loss		-	1,108,560	-
Loss on cancelled agreement			-	20,000,000
Miscellaneous		28,657	121,871	127,683
Total Operating Expenses		3,550,096	3,513,422	22,120,521
NET LOSS FROM OPERATIONS		(3,550,096)	(3,513,422)	(22,120,521)
Add: Other income				
Interest income	2,4	1,066,520	154,114	50,809
NET LOSS BEFORE TAX		(2,483,576)	(3,359,308)	(22,069,712)
Less: Tax expense	10	213,307	30,823	9,613
LOSS FOR THE YEAR		(2,696,883)	(3,390,131)	(22,079,325)

See accompanying notes to financial statements



LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Year ended December 31, 2017
With Comparative Figures for 2016 and 2015
(*In Philippine Peso*)

	Note	Capital Stock*	Additional Paid-in Capital	Deposit for Future Subscription	Deficit	Total
Balance - December 31, 2014		74,000,000	66,714,858	50,000,000	(119,705,236)	71,009,622
Loss for the year 2015					(22,079,325)	(22,079,325)
Balance - December 31, 2015		74,000,000	66,714,858	50,000,000	(119,705,236)	71,009,622
Additional Subscription		26,000,000				26,000,000
Loss for the year 2016					(3,390,131)	(3,390,131)
Balance - December 31, 2016	8	100,000,000	66,714,858	50,000,000	(123,095,367)	93,619,491
Additional Subscription	8	200,000,000		(50,000,000)	-	150,000,000
Loss for the year 2017					(2,696,883)	(2,696,883)
Balance - December 31, 2017	8	300,000,000	66,714,858		(125,792,250)	240,922,608

See Accompanying Notes to Financial Statements.

* Authorized - 3,000,000,000 shares (2016:1,000,000,000 shares) at P0.10 par value

Subscribed - 3,000,000,000 shares (2016: 1,000,000,000 shares)

Paid up - P300,000,000 (2016:P100,000,000)

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS

For the Year ended December 31, 2017
With Comparative Figures for 2016 and 2015
(In Philippine Peso)

	Notes	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(2,483,576)	(3,359,308)	(22,069,712)
Adjustments for:				
Interest income	2,4	(1,066,520)	(154,114)	(47,760)
Derecognition of liability	11	-	-	(3,049)
Loss on agreement	15	-		20,000,000
Depreciation		-	218	3,452
Operating loss before working capital changes		(3,550,096)	(3,513,204)	(2,117,069)
Changes in operating assets and liabilities:				
Decrease (Increase) in assets:				
Other current assets	2,5	3,390,976	998,256	(62,627)
Increase (Decrease) in liabilities:				
Accounts payable and other liabilities	2,6	(537,015)	36,753	765,250
Cash used in operations		(696,135)	(2,478,195)	(1,414,446)
Cash paid for final taxes	2,4	(213,307)	(30,823)	(9,552)
Net Cash Used in Operating Activities		(909,442)	(2,509,018)	(1,423,998)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	2,4	1,066,520	154,114	47,760
Return of deposit for future stock investment	2,4	-	-	13,500,000
Net Cash Used in Investing Activities		1,066,520	154,114	13,547,760
CASH FLOWS FROM FINANCING ACTIVITIES				
Deposit for future subscription	8	-	50,000,000	-
Proceeds from issuance of shares	8	150,000,000	26,000,000	-
Due to/from related parties	2,7	(727,816)	-	600,000
Net Cash Provided by Financing Activities		149,272,184	76,000,000	600,000
NET INCREASE IN CASH		149,429,262	73,645,096	12,723,762
CASH - BEGINNING OF YEAR	2,4	86,752,612	13,107,516	383,754
CASH - END OF YEAR	2,4	236,181,874	86,752,612	13,107,516

See accompanying notes to financial statements

LODESTAR INVESTMENT HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Figures for 2016 and 2015
(All amounts are shown in Philippine Peso)

Note 1- Corporate Information

LODESTAR INVESTMENT HOLDINGS CORPORATION ("The Company") was organized under the laws of the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on January 3, 1974. Its shares are listed for trading at the Philippine Stock Exchange (PSE). The Company's primary purpose is to engage as an investment holding company. However, it has no commercial operations at present.

The principal place of office is located at 7th Floor Peaksun Bldg. 1505 Princeton St., corner Shaw Blvd. Brgy. Wack-Wack Greenhills East, Mandaluyong City.

Status of Operations

As indicated above, the Company has no commercial operations; hence, it continues to incur losses. It incurred net losses of P2,696,883 in 2017, P3,390,131 in 2016 and P22,079,325 in 2015, which further increased its deficit from P123,095,367 as at December 31, 2016 to P125,792,250 as at December 31, 2017. This condition indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In response to this matter, during the annual stockholders' meeting on December 08, 2016 the stockholders confirmed, ratified and re-adopted the 2009 stockholders' approval of the increase in the authorized capital stock of the Company from P 100 million to P 300 million divided into 3 billion shares at the reduced par value of P 0.10 per share without the stockholders' pre-emptive rights. These were approved by the SEC on June 14, 2017. The increase of P 200 million was fully subscribed and fully paid as at December 31, 2017.

Approval of Financial Statements

The financial statements of the Company for the years ended December 31, 2017 (including the comparative financial statements as at December 31, 2016 and 2015) was authorized for issue by the Board of Directors on April 5, 2018

Note 2 - Summary of Significant Accounting and Reporting Policies

The following significant accounting policies and practices are set forth to facilitate the understanding of data presented in the financial statements.

Statement of Compliance

The company's financial statements, which are prepared for submission to the Securities and Exchange Commission and the Bureau of Internal Revenue, have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board.

Basis of Preparation of Financial Statements

These financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, fair value measurements are categorized into

Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs that are unobservable inputs for the asset or liability.

Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Company's functional currency, and all values represent absolute amounts except when otherwise indicated.

Use of Estimates and Judgments

The preparation of the financial statements in conformity of PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are discussed in Note 3 to the financial statements.

Changes in accounting policies and disclosures

Principal accounting policies applied by the Company in preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

Amendments to PFRS that are mandatorily effective for the current year

The Company has applied following amendments and improvements to existing standards which became mandatorily effective beginning January 1, 2017. Unless otherwise indicated, the adoption of the amended standards and interpretations does not have a significant impact on the Company's financial statements.

- Amendments to PFRS 12, *Clarification of the Scope of the Standard* (Part of Annual Improvements to PFRSs 2014-2016 Cycle)

The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

- Amendments to PAS 7, *Statement of Cash Flows – Disclosure Initiative*

The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods.

- Amendments to PAS 12, *Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses*

The amendments clarify that an entity need to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of the equity, as appropriate), without allocating the change between opening retained earnings and other components of the equity. Entities applying this relief must disclose that fact.

Standards Not Yet Effective

Pronouncement issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect the future adoption of the said pronouncements to have significant impact on the financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2018

- Amendments to PFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*

The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

- Amendments to PFRS 4, *Insurance Contracts – Applying PFRS 9, Financial Instruments, with PFRS 4*

The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standard. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier application of the forthcoming insurance contracts standard or January 1, 2021.

The overlay approach and the deferral approach will only be available to an entity if it has not previously applied to PFRS 9.

- PFRS 15, *Revenue from Contract with Customers*

PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRSs. Either full or modified retrospective application is required for annual periods beginning on or after January 1, 2018.

- **PFRS 9, *Financial Instruments***

PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The adoption of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Company's financial liabilities. The adoption will also have an effect on the Company's application of hedge accounting and on the amount of its credit losses.

The Company is currently assessing the impact of adopting this standard.

- **Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of Annual Improvements to PFRSs 2014-2016 Cycle)**

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first become a parent. The amendments should be applied retrospectively, with earlier application permitted.

- **Amendments to PAS 40, *Investment Property – Transfers of Investment Property***

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

- **Philippine Interpretation IFRIC-22 , *Foreign Currency Transactions and Advance Consideration***

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the

transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Effective beginning on or after January 1, 2019

- **PFRS 16 , Leases**

Under the new standard, lessees will no longer classify their leases as either operating or finance lease in accordance with PAS 17, *Leases*. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the asset and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

Entities may early adopt PFRS 16 but only if they have also adopted PFRS 15. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs.

Deferred effectivity

- **Amendments to PFRS 10 and PAS 28 , *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interest in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joints ventures.

Financial Assets

Financial assets include cash and other financial instruments. Financial assets within the scope of PAS 39 are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investments, and available-for-sale (AFS) financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at FVPL, directly attributable transaction costs.

The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase the asset. Regular purchase or sales are purchases or sales of financial assets that requires delivery of assets within the period generally established by regulation or convention in the marketplace.

For the years ended December 31, 2017 and 2016, the Company has no financial assets classified as financial assets at FVPL, HTM and AFS financial assets.

As of December 31, 2017 and 2016, the Company's cash and receivables are classified under this category.

Cash

Cash includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date of which are classified as non-current assets.

Initially, accounts receivable are recognized at cost, which is usually its transaction price or its original exchange price, plus transaction costs directly attributable to its acquisition. Subsequently measured at amortized cost less provision for impairment (if any). A provision for impairment of accounts receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Financial Liabilities

Financial liabilities within the scope of PAS 39 are classified as either financial liabilities at FVPL and other financial liabilities. The Company has no financial liabilities at FVPL as of December 31, 2017 and 2016.

Other financial liabilities pertain to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or noninterest-bearing loans and borrowings.

Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

This category includes accounts payable and other liabilities, and advances from related parties as of December 31, 2017 and 2016.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through arrangement; or
- the Company transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented at gross amounts in the balance sheet.

Impairments of Non-Financial Assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of an asset, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the assets recoverable amount is calculated as the higher of the assets value in use or net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period in which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, but only to the extent of the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is credited to current operations.

Other Current Assets

Other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as noncurrent assets.

Employee Benefits/Retirement Benefit Costs

The Company operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be

paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in the retained earnings in the statements of changes in equity and in the balance sheet.

Past-service costs are recognized immediately in income.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Other post-employment obligations

Some companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Profit-sharing and bonus plans

The Company recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

For the year ended the company did not recognize any retirement expense because it is still initial years of operation.

Revenue and Costs Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax.

The Company recognizes revenue when: the amount of the revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for the Company's activities, as described below:

Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Costs and expenses are charged to operations when incurred.

Related party transactions and relationship

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

An entity is related to the Company if any of the following conditions apply:

- The entity and the Company are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others)
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
- Both entities are joint ventures of the same third party
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company
- The entity is controlled or jointly controlled by a person identified above
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner, children of that person's spouse or domestic partner, and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Company. Transactions between related parties are accounted for at arm's-length prices or on terms similarly offered to non-related entities in an economically comparable market.

Equity

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital represents any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Deposit for future stock subscription represents the amount of money received from a stockholder as deposit for its subscription to the Company's proposed increase in authorized capital stock which is currently pending approval by SEC. Based on the requirements of the SEC, the Company recognized a deposit for future stock subscription as part of equity if all of the criteria discussed in below are met as at the end of the reporting period.

- (a) Lack or insufficiency of authorized unissued shares of stock to cover for the deposit;
- (b) Approval by the Board of Directors (BOD) and stockholders for the increase in authorized capital stock to cover the shares corresponding to the amount of the deposit; and
- (c) Application for the approval of the increase in authorized capital stock has been filed with the SEC.

If any of the foregoing criteria is not met at the end of the reporting period, the deposit for future stock subscription is recognized as a liability.

Deficit represents all current and prior period results of operations as disclosed in the statement of profit or loss.

Loss per Share

Loss per share is determined by dividing net loss by the weighted average number of common shares issued and outstanding during the year. Diluted loss per share is not computed since the Company has no potential dilutive common shares.

Current and Deferred Income Tax

Tax expense is composed of current and deferred, and is recognized in the profit and loss, except when the change attributable to the item of income or expense is recognized in other comprehensive income, then such tax effect is also recognized in other comprehensive income.

Current income tax is calculated based on the tax rates and Philippine tax laws (National Internal Revenue Code).

Deferred income tax is provided using the balance sheet liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Provisions

Provisions for restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Contingencies

Contingent liabilities are not recognized in the company's financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the company's financial statements but are disclosed when an inflow of economic benefits is probable.

Events after balance sheet date

Post year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes when material.

Note 3 - Significant Accounting Judgments and Estimates

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

The preparation of financial statements in accordance with PFRS requires Management to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities. The Management believes estimate and assumption made during the year has no significant risk of causing materiality restatement to the carrying amount of assets and liability within the next financial year.

Critical Management Judgment in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the judgment, apart from those involving estimation. Among those judgments, recognition of provisions and contingencies has the most significant effect on the amounts recognized in the company's financial statements. This judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition of provisions and contingencies are discussed in Note 2 and disclosures on relevant provisions and contingencies are presented in Note 12.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) *Impairment of Advances to a Stockholder, Receivable from a Third Party and Advances to Contractor*

Adequate amount of allowance for impairment is provided where objective evidence of impairment exists. The Company evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Company's relationship with the counterparties' current credit status, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

Based on management's assessment, there is no allowance for impairment loss required to be recognized on the Company's advances to a stockholder and receivable from a third party as at December 31, 2017 and 2016 (Note 5). Advances to contractor were identified to be impaired as of December 31, 2017 (Note 5)

(b) *Determining Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

As at December 31, 2017 and 2016, the Company did not recognize any deferred tax asset as the Company is not expected to have sufficient taxable profits against which it can be applied before the validity periods of the related temporary differences expire (Note 11).

Note 4 – Cash

This account consists of:

	2017	2016
Petty cash fund	4,000	4,000
Cash in bank	236,177,874	86,748,612
	236,181,874	86,752,612

The Company's cash mainly comprises of cash in banks which generally earn interest based on daily bank deposit rates. Total interest income earned from these deposits amounted to P1,066,520 and P154,114 in 2017 and 2016, respectively.

Note 5 – Other Current Assets

This account consists of:

	2017	2016
Input tax (Note 10)	3,122,374	3,046,950
Advances to contractor	1,108,560	1,108,560
Deferred input tax	33,600	-
Receivable from a third party	-	3,500,000
Others	48,086	48,086
Total	4,312,620	7,703,596
Allowance for impairment loss	(1,108,560)	(1,108,560)
	3,204,060	6,595,036

The Company's other current assets, especially receivables included in this account, have been reviewed for indicators of impairment. Advances to contractor were determined to be impaired; hence, full amount of allowance for impairment has been recognized. Impairment loss recognized on advances to contractor amounted to nil and P1,108,560 in 2017 and 2016, respectively. The significant portion of the advances is in relation to a survey of a prospect coal project in 2012.

Input tax represents VAT imposed by the Company's suppliers for the acquisition of goods and services as required by the Philippine taxation laws and regulations. Input tax will be used to offset against the Company's output tax liability.

Deferred input tax represents input tax on professional fee accrued and to be realized within twelve (12) months from end of reporting period.

The receivable from third party was collected in 2017.

Note 6 – Accounts payable and Other Liabilities

This account consists of the following:

	2017	2016
Accrued expenses	984,550	1,528,120
Others	63,668	57,113
	1,048,218	1,585,233

Accrued expenses mainly comprise of legal and professional fees.

Note 7 – Related Party Transactions

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 party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence.

Significant transactions are as follows:

a. Advances to(from) a Stockholder

In 2017 and 2016, the Company granted/obtained noninterest-bearing advances to (from) a stockholder. The advances to (from) a stockholder are unsecured and are due and collectible upon demand. These advances are generally settled in cash.

The movements in the balance of advances to (from) a stockholder, shown as due from (to) related parties in the statements of financial position as at December 31, are as follows:

	2017	2016
Balance at beginning of year	1,857,076	1,857,076
Collections during the year	(2,772,184)	-
Advances granted during the year	3,500,000	-
Balance at end of year	2,584,892	1,857,076

Based on management's assessment, the outstanding balance of the Company's advances to (from) a stockholder is not impaired as at December 31, 2017 and 2016; hence, no impairment loss is recognized during those years.

b. Legal Services

Expenses for Legal services rendered to the Company by certain officers of the Company amounted to P840,000 and P820,000 in 2017 and 2016, respectively, and is presented as Legal Fees in the statements of comprehensive income. Total outstanding balances related to these transactions amount to P504,000 and P1,052,000 as at December 31, 2017 and 2016 and are presented as part of Accrued expenses under the Accounts payable and Other Liabilities account in the statements of financial position.

c. Key Management Personnel Compensation

The key management personnel of the Company is also considered to be related parties. The management has not yet provided employment benefit plans for the key management personnel as the Company maintains no full-time managers. It outsources the accounting and administrative requirements. The Board of Directors and its members occupy executive positions and work without need for monthly compensation.

Note 8 - Equity

Capital Stock

The Company has authorized capital stock of P300 million divided into 3 billion shares at P0.10 par value per share. Issued and outstanding shares as at December 31, 2017 and 2016 consisted of 3 billion shares equivalent to P300 million and 1 billion shares equivalent the P100 million, respectively, as follows:

	2017	2016
Authorized - 3,000,000,000 shares/1,000,000,000 shares at P0.10 par value	300,000,000	100,000,000
Subscribed - 3,000,000,000 shares/1,000,000,000 shares at P0.10 par value	300,000,000	100,000,000
Paid up	300,000,000	100,000,000

On October 25, 2016, the BOD authorized the execution, delivery and implementation of the following Subscription Agreements:

- a. Subscription to 260 million unissued shares by a new stockholder at the subscription price of P0.10 per share or P26 million. The subscribed shares were issued out of the Company's remaining authorized capital stock on November 10, 2016, the date of subscription.
- b. Subscription to the 2 billion proposed increase in authorized capital stock at the subscription price of P0.10 per share or P200 million by a new investor.

On December 8, 2016, during the annual stockholders' meeting of the Company, the stockholders confirmed, ratified and re-adopted the 2009 stockholders' approval of the increase in the authorized capital stock of the Company from P100 million divided into 100 million shares at a par value of P1 per share to P300 million divided into 3 billion shares at the reduced par value of P0.10 per share without the stockholders' pre-emptive right. The net increase of P200 million has been fully subscribed in 2016 and a P 50 million payment was received. This was treated in the 2016 financial statements as deposit for future stock subscription pending approval by the SEC of the increase in authorized capital. These were approved by the SEC on June 14, 2017, after which the balance of the subscription was paid in full.

Note 9 – Loss per Share

Loss per share is computed as follows:

	2017	2016	2015
Net loss	2,696,883	3,390,131	22,079,325
Weighted average number of outstanding common shares	2,500,000,000	1,000,000,000	740,000,000
Loss per share	0.001	0.003	0.030

The Company has no potentially diluted instruments; thus, basic and dilutive loss per share are the same.

Note 10 – Income and Other Taxes

The tax components of tax expense reported in statements of comprehensive income are as follows:

	2017	2016	2015
Final tax at 20%	213,307	30,823	9,552
MCIT at 2%	-	-	61
	213,307	30,823	9,613

A reconciliation of tax on pretax loss computed at the applicable statutory rates to tax expense reported in the statements of comprehensive income follows:

	2017	2016	2015
Tax on pretax loss at 30%	(745,073)	(1,007,792)	(6,620,914)
Adjustment for income subjected to lower rate	(106,649)	(15,412)	(4,776)
Unrecognized deferred taxes	1,050,387	968,618	6,590,863
Non-deductible expenses	14,642	85,409	44,440
Tax expense	213,307	30,823	9,613

The Company is subject to MCIT which is computed at 2% of gross income, as defined under tax regulations, or regular corporate income tax (RCIT), whichever is higher. In 2015, the Company recognized MCIT as MCIT was higher than RCIT. The MCIT recognized in 2015 amounted to P61 is valid until 2018 as a deduction from its tax due, if any.

The Company has incurred net operating loss carryover (NOLCO) in 2017 and the previous consecutive years. The breakdown of NOLCO, which can be claimed as deduction from future taxable income within three years from the year the taxable loss was incurred, is shown below.

Year incurred	Original Amount	Expired balance	Remaining balance	Valid Until
2017	3,501,290	-	3,501,290	2020
2016	2,120,165	-	2,120,165	2019
2015	21,969,339	-	21,969,339	2018
2014	1,814,509	1,814,509	-	2017
	29,405,303	1,814,509	27,590,794	

The Company did not recognize any deferred tax asset on its MCIT, NOLCO and allowance for impairment of receivables as at December 31, 2017 and 2016 because management does not expect the Company to have sufficient taxable profit against which the deferred tax assets can be utilized prior to lapse of their validity period. The unrecognized deferred tax assets related to NOLCO as at December 31, 2017 and 2016 amounted to P8,277,238 and P7,771,204, respectively.

In 2017 and 2016, the Company opted to continue claiming itemized deductions for income tax purposes.

Supplementary Information Required by the Bureau of Internal Revenue

Pursuant to Revenue Regulations No. 15-2010 dated November 25, 2010, amending certain provisions of RR No. 21-2002, in addition to the disclosures mandated under the PFRS, the taxes, duties and license fees paid during the year are the following:

a. Output VAT

The Company had no revenue earned that is subject to output VAT.

b. Input VAT

The movement in input VAT is summarized below.

Balance at beginning of the year	3,046,950
Expenses lodged under operating expenses	75,424
Balance at end of year	3,122,374

The balance of input VAT is presented as Input VAT under the Other Current Assets account in the 2017 statement of financial position (Note 5).

i. The Company had paid documentary stamp amounting to P1 million in 2017.

ii. The taxes and licenses paid for the year ended December 31, 2017 are broken down as follows:

Documentary stamp tax	1,000,000
Business permit	11,866
Barangay clearance	1,165
BIR registration	1,000
Fire inspection fee	913
Community Tax Certificate	500
Total	1,015,444

iii. The amount of withholding taxes paid/accrued for the year amounted to:

- a) Tax on compensation and benefits – nil
- b) Expanded withholding taxes – P110,789

Requirement under RR19-2011

On December 9, 2011, the BIR issued RR 19-2011 which prescribes the new form that will be used for income tax filing covering and starting with periods ending December 31, 2011 and onwards. This recent RR requires schedules of taxable revenues and other non-operating income, costs of sales and services, and itemized deductions, to be disclosed in the notes to financial statements.

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR, hence, may not be the same as the amounts reflected in the 2017 statement of comprehensive income.

j. Revenues

The Company has no taxable revenue in 2017.

ii. Cost of Services

The Company has no deductible cost of services in 2017.

iii. Taxable Non-Operating and Other income

The Company has no taxable non-operating and other income subject to regular rate for the year ended December 31, 2017.

iv. Itemized Deductions

The amounts of itemized deductions for the period ended December 31, 2017 are as follows:

Taxes and licenses	1,015,444
Legal fees	840,000
Professional fees	733,540
Listing and filing fees	422,585
Membership dues	258,000
Directors' fees	138,889
Printing and office supplies	70,175
Miscellaneous	22,657
Total	3,501,290

Note 11 – Agreement for Joint Investment

Purchase of ABACOAL Shares

As discussed in Note 6, on September 24, 2008, the Company and MUSX agreed to purchase 100% of the outstanding and issued shares of ABACOAL held by ACRHI, including the Coal Operating Contract covering 7,000 hectare property at Mimi Tandag, Surigao del Sur (the Coal Property) assigned by ACRHI to ABACOAL. MUSX and the Company shall acquire 55% and 45% participation and equity interest, respectively, in ABACOAL and the Coal Property. Unit price per stock of MUSX and the Company shall be equivalent to the 90-day moving average of the shares prior to Date of Subscription or Share Purchase Agreements.

On May 21, 2009, the Company, MUSX and ACRHI amended the agreement with the following revised terms and conditions:

a) Assignment of Investment Interests and Participation

MUSX hereby assigns its right to acquire 55% participation and equity interest in ABACOAL and the Coal Property to the Company. As a result of the assignment, the Company shall have the right to acquire 100% participation and equity interest in ABACOAL and the coal property.

b) Consideration for the Assignment

The Company shall pay MUSX the following consideration for the assignment of the right to acquire 55% participation and equity interest in ABACOAL:

- 1) P12 million upon signing of the Agreement as and by way of reimbursement of certain expenses and payments already made by MUSX into the ABACOAL project;
- 2) P10 million on or before December 31, 2009, as and by way of reimbursement of the remainder of the expenses and payments already made and advanced by MUSX into the Project; and
- 3) One-fourth percent (0.25%) of the gross coal price per ton based on Freight on Board (FOB) loaded to vessel payable within 5 days from receipt of payment by the Company, as and by way of Royalties in the project. These royalty payments are payable only for the period of the first five years of the operations of the ABACOAL project.

The P12 million and P10 million payments are recorded as part of Deposit for Future Stock Investment at the beginning of 2015. The Company also made an additional deposit of P5 million as part of the pending acquisition by the Company of ABACOAL.

On February 21, 2011, the Company paid MUSX the amount of P10.0 million by way of full and final payment of any and all of its obligation. As a result, the Company has fully complied with its entire obligation to MUSX as the latter waived in full any and all other possible collectibles from the Company as a result of the above agreements, including but not limited to the percentage shares in the sales of ABACOAL upon the operation, thereof.

In addition to the foregoing, the Company shall have the exclusive right to create a Management Group to manage the development and production of the coal property to protect the interests of the parties therein.

Acquisition of Coal Property and Plan of Merger

On November 3, 2010, ABACOAL and the Company further revised the terms of the agreement. In the revised agreement, the Company shall acquire the Coal Property and all the other assets and liabilities of ABACOAL by and through a merger, with the Company as the surviving entity. By virtue of said merger, the Company shall issue 250,000,000 new common shares at a par value of P0.10 and an agreed issue value of P0.90 to ABACOAL. The Company undertakes to list the said shares with the PSE. These terms and conditions shall be incorporated in a Merger Agreement and Plan of Merger which ABACOAL and the Company agreed to execute at the proper time. As part of the agreement, the Company shall make staggered cash payments to ABACOAL, which shall be deemed as constituting a participation in operating revenues from the Coal Property, totaling P75 million, payable as follows:

- 1) P30 million advance deposit on ABACOAL's participation due on September 24, 2008, June 1, 2009 and June 8, 2009; and
- 2) Amounts to be paid upon and to be taken from the sale of the first production of coal products for the Coal Property:
 - a. P20 million upon consummation of said first sale of coal products; and
 - b. P25 million payable thirty days from consummation of said first sale of coal products.

On July 21, 2015, the Company agreed with ACRHI and ABACOAL to cancel the Agreement. As agreed between the parties, ACRHI shall pay the Company only P 17 million out of the P 37 million deposits that the Company so far made. The difference of P 20 million was recognized as loss on cancelled agreement in 2015.

Note 12 – Commitments and Contingencies

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities that are not given recognition in the financial statements. As at December 31, 2017 and 2016, management believes that losses, if any, that may arise from these commitments and contingencies will not have any material effect on the financial statements.

Note 13 – Financial Risk Management Objectives and Policies

The Company is exposed to certain financial risks which result from its use of financial instruments. The Company's risk management is coordinated in close cooperative with the BOD, and focuses on actively securing the Company's short-to-medium-term cash flows by minimizing the exposure to financial markets.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The Company has no significant exposure to foreign currency risk since it has no financial assets and financial liabilities that are denominated in foreign currency. The most significant financial risk to which the Company is exposed to are described below and in the succeeding page.

Credit Risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for its financial assets.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below

	2017	2016	2015
Cash	236,181,874	86,752,612	13,107,516
Advances to a stockholder	2,584,892	1,857,076	1,857,076
Receivable from a third party	-	3,500,000	3,500,000
Advances to contractor - net			1,108,560
	238,766,766	92,109,688	19,573,152

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash as described below:

a) *Cash*

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P0.5 million for every depositor per banking institution. The amount of cash on hand excluded from this insurance by PDIC amounted to P4, 000 as of December 31, 2017 and 2016.

b) *Advances to a Stockholder*

The credit risk for advances to a stockholder is considered negligible, since the counterparty is a related party. No impairment loss has been recorded in relation to advances to a stockholder as management had assessed that this is fully collectible.

c) *Receivable from a third party*

This account pertains to the deposits made by the Company to Abacus Consolidated Resources Holdings, Inc. (ACRHI) for full acquisition of Abacus Coal Exploration and Development Corporation (ABACOAL), pursuant to the Agreement for Joint Investment executed by the Company and MUSX Corporation. No impairment loss on receivable from a third party as management had assessed that these are fully collectible.

Liquidity Risk

The Company manages its liquidity needs by obtaining additional advances from stockholders.

As at December 31, 2017 and 2016, the Company's financial liabilities amounting to P984,550 and P1,528,120, respectively, have contractual maturities of less than 12 months.

Note 14 - Categories and Fair Values of Financial Assets and Financial Liabilities

Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of the Company's financial assets and financial liabilities presented in the statements of financial position are shown below.

	2017		2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Loans and receivables				
Cash	236,181,874	236,181,874	86,752,612	86,752,612
Advances to a stockholder	2,584,892	2,584,892	1,857,076	1,857,076
Receivable from a third party	-	-	3,500,000	3,500,000
	238,766,766	238,766,766	92,109,688	92,109,688

Financial Liabilities

At amortized cost

Accounts payable and accrued expenses (excluding tax-related liabilities)	984,550	984,550	1,528,120	1,528,120
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See Note 2 for a description of the accounting policies for each category of financial instruments. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 13.

Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset and liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

There were no outstanding financial assets or financial liabilities measured at fair value as at December 31, 2017 and 2016.

Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed.

	2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans and receivables				
Cash	236,181,874	-	-	236,181,874
Advances to a stockholder	-	-	2,584,892	2,584,892
	236,181,874	-	2,584,892	238,766,766

Financial Liabilities

At amortized cost

Accounts payable and
accrued expenses (excluding
tax-related liabilities)

-	-	984,550	984,550
---	---	---------	----------------

2016

	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans and receivables				
Cash	86,752,612	-	-	86,752,612
Advances to a stockholder	-	-	1,857,076	1,857,076
Receivable from a third party	-	-	3,500,000	3,500,000
	86,752,612	-	5,357,076	92,109,688

Financial Liabilities

At amortized cost

Accounts payable and
accrued expenses (excluding
tax-related liabilities)

-	-	1,528,120	1,528,120
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The fair values of the financial assets and financial liabilities included in Level 3 above, which are not traded in an active market, is calculated based on the expected cash flows of the underlying net asset base of the instrument.

Note 15 – Capital Management Objectives, Policies and Procedures

The Company's capital management objective is to ensure the Company's ability to continue as a going concern. Currently, because of the status of the Company's operations (Note 1), management is doing everything it can to ensure that its deficit does not exceed capital stock and other components of equity. It is currently building up its capital to prepare the Company for its investment and operational plans.

The Company monitors capital on the basis of the carrying amount of equity as presented on the statements of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares.

The Company's debt-to-equity ratio at December 31, 2017 and 2016 is presented below.

	2017	2016	2015
Total Liabilities	1,048,218	1,585,233	1,548,480
Total Equity	240,922,608	93,619,491	21,009,622
Debt-to-Equity ratio	0.0044:1.00	0.02:1.00	0.07:1.00

As discussed in Note 1, the Company, being a holding company, is in the process of looking for other opportunities in the various business sectors.



REPORT OF INDEPENDENT AUDITORS

The Board of Directors
LODESTAR INVESTMENT HOLDINGS CORPORATION
7th Floor, Peaksun Building
1505 Princeton St. corner Shaw Boulevard
Brgy. Wack-WackGreenhills East,
Mandaluyong City

We have audited the financial statements of **LODESTAR INVESTMENT HOLDINGS CORPORATION** as of and for the years ended December 31, 2017 and 2016, on which we have rendered the attached report dated April 05, 2018.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information shown in **Annex A** (List of Effective Standards and Interpretation) is presented for purposes of filing with the Securities and Exchange Commission in accordance with SRC Rule 68 and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

MANGAY-AYAM, LIM & CO. CPAS

TIN 228-756-505

Board of Accountancy Cert. No. 0672, valid until December 31, 2018

SEC Accreditation No. 0302-F, valid until April 30, 2018

CDA-CEA: 0020-AF, valid until March 20, 2020

BIR AN: 08-001698-000-2018, valid until February 12, 2021

By:

RODRIGO M. MANGAY-AYAM

Partner

CPA Certificate No. 21565

BOA Certificate No. 00672, valid until December 31, 2018

SEC Accreditation No. 1455-A, (Group A), valid until April 30, 2018

BIR AN: 08-001698-1-2018, valid until February 12, 2021

TIN No. 123-447-203

PTR No. 6629138MD, January 11, 2018, Makati City

Makati City, Philippines

April 05, 2018

ANNEX A

LODESTAR INVESTMENT HOLDINGS CORPORATION

Supplemental Schedule of Financial Reporting Standards and Interpretations

As at December 31, 2017

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2017				
	Framework for the Preparation and Presentation of Financial Statements	✓		
	Conceptual Framework Phase A: Objectives and qualitative characteristics			
	PFRSs Practice Statement Management Commentary			
	Philippine Financial Reporting Standards			
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
PFRS 8	Operating Segments			✓
PFRS 9	Financial Instruments	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
PFRS 10	Consolidated Financial Statements			✓
Amendments to PFRS 10 and PAS 28	Sale or contribution of Assets between an Investor and its Associates of Joint Venture			✓
Amendments to PFRS 10, PFRS 12 and PAS 28	Investment entities - Applying the consolidation exemption			✓
PFRS 11	Joint Arrangements			✓
Amendments to PFRS 11	Accounting for Acquisition of Joint Operation			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2017				
PFRS 15	Revenue from Contracts with Customers			✓
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
Amendments to PAS 1	Disclosure Initiative			✓
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
Amendments to PAS 16 and PAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
PAS 19 (Amended)	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements			✓
PAS 27 (Amended)	Separate Financial Statements			✓
Amendment to PAS 27	Equity Method in Separate Financial Statements			✓
PAS 28	Investments in Associates			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2017				
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓
Amendments to PAS 16 and PAS 41	Agriculture - Bearer plants			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	<i>Interim Financial Reporting and Impairment</i>			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-21	Income Taxes – Recovery of Revalued Non-Depreciable Assets			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2017				
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

ANNEX 'B'

SEC Registration Number

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Company Name

L	O	D	E	S	T	A	R	I	N	V	E	S	T	M	E	N	T	H	O	L	D	I	N	G	S			
C	O	R	P	O	R	A	T	I	O	N																		

Principal Office (No./Street/Barangay/City/Town/Province)

7	F	P	e	a	k	s	u	n	B	u	i	l	d	i	n	g	1	5	0	5	P	r	i	n	c			
t	o	n	S	t	.	,	c	o	r	.	S	h	a	w	,	B	l	v	d	.	,							
B	r	g	y	W	a	c	k	-	W	a	c	k	,	G	r	e	e	n	h	i	l	l	s					
E	a	s	t	,	M	a	n	d	a	l	u	y	o	n	g	C	i	t	y									

Form Type

1	7	A	
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

www.lodestarholdings.com
--

Company's Telephone Number/s

(632) 928-9246

Mobile Number

N/A

No. of Stockholders

60

Annual Meeting

2nd Wednesday of May

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Venus L. Gregorio

Email Address

Nitsbeng.gregoriolaw@mydestiny.net

Telephone Number/s

(632) 920-9306

Mobile Number

--

Contact Person's Address

7F Peaksun Bldg., 1505 Princeton St. corner Shaw Blvd., Mandaluyong City
--

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A**

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

1. For the fiscal year ended: **December 31, 2017**
2. SEC Identification Number: **54106**
3. BIR Tax Identification No.: **200-751-430-000**
4. Exact name of issuer as specified in its charter:

LODESTAR INVESTMENT HOLDINGS CORPORATION
(Formerly: LODESTAR MINING CORPORATION)

5. **Philippines**
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **7/F Peaksun Bldg., Princeton St., Shaw Blvd., Mandaluyong City** **1552**
Address of principal office Postal Code
8. **(632) 920-9306**
Issuer's telephone number, including area code
9. _____
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
(Par Value: ₱0.10)	
Common Shares	<u>3,000,000,000</u>

11. Are any or all of these securities listed on a Stock Exchange.

Yes No

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange Common Shares : **640,000,000**

12. Check whether the issuer:

- (a) 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 Corporation 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 []

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

Yes [/] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this form. (See definition of "affiliate" in "Annex B").

The aggregate market value as at 06 April 2018 of the voting stock held by non-affiliates of the registrant is ₦ 488,371,620. (739,957,000 x ₦0.66)

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS.**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders;

None

(b) Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1(b);

None

(c) Any prospectus filed pursuant to SRC Rule 8.1-1.

None

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

On January 3, 1974, Lodestar Mining Corporation (now Lodestar Investment Holdings Corporation) (“LIHC” or the Company”) was incorporated in the Philippines and established primarily as a mining and natural resources exploration company. The Company was engaged in the development of several gold and chromite mining claims in Masbate, Cebu, Negros Occidental and Palawan.

In 1988, the Company filed an application for listing of its 30,000,000 common shares with the Philippine Stock Exchange (“PSE”) formerly known as the Manila and Makati Stock Exchanges. On October 11, 1988, the SEC issued to the Company a Certificate of Permit to Offer Securities for Sale and rendered the Registration Statement to be effective. The Company was able to complete its initial public offering and the listing of the Company’s shares was made effective on May 26, 1989.

In October 2003, the name and primary purpose of the Company were changed from a mining company to an investment holding company.

On September 26, 2008, the Board of Directors authorized the Company to enter into a Heads of Agreement with Abacus Consolidated Resources and Holdings, Inc. (“ABACON”) and Musx Corporation (“Musx”) for the joint acquisition by the Company and Musx of all the outstanding and issued shares of Abacus Coal Exploration and Development Corporation (“ABACOAL”) with a sharing arrangement of fifty five percent (55%) for Musx and forty five (45%) for the Company. The Company and Musx have likewise entered into an Agreement for Joint Investment whereby the investment parameters for such investment into ABACOAL were set forth.

On May 21, 2009, the Company executed an Amendment to the Agreement for Joint Investment with Musx Corporation. The amendment primarily consists in the assignment to the Company of Musx’s fifty five percent (55%) interest in ABACOAL subject to the terms and conditions provided in the said agreement. As a result, the Company acquired the right to purchase one hundred percent (100%) of the shares of stock of ABACOAL which necessitated a bigger capital expenditure on the part of the Company.

On May 31, 2009, the Company executed a Memorandum of Agreement with Oriental Vision Mining Corporation (“Oriental”) to undertake exploration and development activities of the coal properties of ABACOAL Under the agreement, Oriental shall develop and operate the Coal Property and pay the Company a royalty fee of Eight Percent (8%) of gross coal price per ton based on FOB loaded to vessel.

On July 21, 2015, the Company entered into Cancellation of the Heads of Agreement, Amended Heads of Agreement and Allied Contracts with Abacus Consolidated Resources Holdings, Inc. (ABACORE) and Abacus Coal Exploration and Development Corporation (ABACOAL). The cancellation was necessitated by the fact that the Merger with ABACOAL was not approved by LIHC shareholders for lack of quorum during the Annual Shareholder’s Meeting called for the three (3) years prior. Thus, the Company no longer has any contractual interest over ABACOAL as a result of the cancellation of other Heads of Agreement and its allied contracts.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share.

Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱0.10) per share. On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company. On June 14, 2017, the Securities and Stock Exchange approved the increase in authorized capital stock.

The Company has never been engaged in any bankruptcy, receivership or other similar proceedings. Neither has the Company undergone any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets not in the ordinary course of business.

Item 2. Properties

The Company has no real properties. The Company likewise no longer has any contractual interest over ABACOAL as a result of the cancellation of the Heads of Agreement and its allied contracts.

Item 3. Legal Proceedings

The Company has never been a subject or party to any legal proceeding, material or otherwise. Neither is any property of the Company a subject to any legal proceeding, material or otherwise.

Item 4. Submission of Matters to a Vote of Security Holders

During the Annual Stockholders' Meeting of 22 December 2010, Stockholders representing a total of 504,033,000 shares or 68.1126% of the outstanding capital stock of the Company approved the proposed reduction in the par value of the shares of stock of the Company from Ten Centavos (₱0.10) per share to One Centavo (₱ 0.01) per share resulting in a stock split of ten (10) shares for every one (1) share owned. This plan of reduction in the par value of the shares of stock of the Company is not yet implemented.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

The principal market of the Company's shares is the PSE.

Closing market price as at April 6, 2018 is pegged at ₱ 0.66

The high and low sales prices of each quarter covering the years 2017, 2016 and 2015 are as follows:

		<u>High</u>	<u>Low</u>
2018	First Quarter – April 5, 2017	₱ 0.67	₱ 0.65
2017	First Quarter	₱ 1.35	₱ 0.93
	Second Quarter	1.19	0.97
	Third Quarter	1.07	0.86
	Fourth Quarter	0.89	0.60
2016	First Quarter	₱ 0.75	₱ 0.50
	Second Quarter	0.80	0.66
	Third Quarter	0.85	0.69
	Fourth Quarter	1.22	1.12
2015	First Quarter	₱ 0.78	₱ 0.62
	Second Quarter	0.82	0.66
	Third Quarter	0.74	0.54
	Fourth Quarter	0.91	0.67

Source: *Technistock*

The number of shareholders as of 31 December 2017 is 60¹. Common shares outstanding as of 31 December 2017 are 3,000,000,000 shares per the records of BDO Unibank, Inc.

The following table presents the Company's top 20 shareholders as at 31 December 2017:

Name of Shareholder	Class of Security	Number of Shares	Percentage to Total
Socorro P. Lim	Common	2,000,000,000	66.667%
PCD Nominee Corporation-Filipino	Common	626,383,429	20.879%
Nathaniel C. Go	Common	260,000,000	8.667%
Renato L. Reyes	Common	72,000,000	2.400%
Ramon L. Abad, Jr.	Common	28,000,000	0.933%
PCD Nominee Corporation- Non-Filipino	Common	6,107,001	0.204%
Jones R. Castro	Common	1,700,000	0.057%
Renato Lumague	Common	600,000	0.020%
William T. Enrile &/or William R. Enrile II &/or Nelly R. Enrile	Common	500,000	0.017%

² Per the records of BDO Unibank, Inc.

Joel S. Diaz	Common	500,000	0.017%
Joaquin Corpus	Common	500,000	0.017%
Ross W. Garling	Common	400,000	0.013%
John T. Mesina	Common	300,000	0.010%
Jovenal Gonzalez	Common	300,000	0.010%
Jose De Peralta	Common	300,000	0.010%
Cesar Hablero	Common	160,000	0.005%
William Stone	Common	100,010	0.003%
Reuben Alderson	Common	100,000	0.003%
Jerry Angping	Common	100,000	0.003%
Aroroy Municipal Council Educational Fund	Common	100,000	0.003%

No dividends were declared by the Corporation for the period covered by this report.

Item 6. Management's Discussion and Analysis or Plan of Operation

On July 21, 2015, the company entered into a Cancellation of the Heads of Agreement, Amended Heads of Agreement and Allied Contracts with Abacus Consolidated Resources Holdings, Inc. (ABACORE) and Abacus Coal Exploration and Development Corporation (ABACOAL). The cancellation was necessitated by the fact that the Merger with ABACOAL was not approved by LIHC stockholders for lack of quorum during the Annual Shareholder's Meetings called for from 2012 to 2015.

Thus, the Company no longer has any contractual interest over ABACOAL as a result of the cancellation of the Heads of Agreement and its allied contracts.

Business Plan:

Business outlook for 2018 is geared towards looking for other business ventures, which is still in line with the primary purpose of the Company as a holdings corporation. Thus, the Company may again tap into various sources to look for opportunities in the diversified business sectors that are viable, growing and profitable. The Company's strategy will be to invest-buy-in or acquire businesses where the Company will at least own a significant stake or interest of the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

In October 2016, the Company started implementing its capital raising plans by issuing subscription to capital stocks via private placements of two billion two hundred sixty million shares at the subscription price of ten centavos (₱0.10) which was approved by the SEC on June 14, 2017. This is intended to provide the Company investable funds and working capital for prospective projects. Specifics of such deals, if any, will be properly disclosed in accordance with the continuing disclosure requirements of the SEC and the PSE.

For the next twelve (12) months, the Company's cash requirements will be satisfied from the proceeds of the private placements.

Financial Performance In Philippine Pesos

Key Financial Indicator			
	Year 2017	Year 2016	Year 2015
Revenues	1,066,520	154,114	50,809
Cost and Expenses	3,763,403	2,435,685	2,130,134
Other Losses	-	1,108,560	20,000,000
Net Income (Loss)	(2,696,883)	(3,390,131)	(22,079,325)
Current Assets	241,970,826	95,204,724	22,557,884
Current Liabilities	1,048,218	1,585,233	1,548,480
Total Assets	241,970,826	95,204,724	22,558,102
Total Liabilities	1,048,218	1,585,233	1,548,480
Stockholders' Equity	240,922,608	93,619,491	21,009,622
Current Ratio	230.84	60.06	14.57
Current Assets / Current Liabilities	241,970,826 / 1,048,218	95,204,724 / 1,585,233	22,557,884 / 1,548,480
Debt to Equity Ratio	0.004	0.017	0.074
Total Liabilities/Stockholders' Equity	1,048,218 / 240,922,608	1,585,233 / 93,619,491	1,548,480 / 21,009,622
Return on assets	NA	NA	NA
Net Income / Total Assets			
Earnings (Loss) Per Share	(0.001)	(0.003)	(0.030)
Net Income (Loss) /No. of shares outstanding	(2,696,883)/ 3,000 B	(3,390,131)/ 1,000 B	(22,079,325)/ 740 M

Full Fiscal Years

Calendar Year 2017

On June 14, 2017, the Securities and Exchange Commission approved the increase of capital stock via private placements from One Billion (1,000,000,000) common shares with a par value of Ten Centavos (₱ 0.10) per share to Three Billion (3,000,000,000) common shares with a par value of Ten Centavos (₱ 0.10).

Portions of the proceeds of these transactions will be used for investments into corporate undertakings or businesses though these are still not yet definite or identified as of date, hence, no acquisition or combination has resulted from, or accompanies the transactions.

The above transactions resulted to a 172.3 % or ₱ 149.43 million increase in cash from ₱ 86.75 million in Dec. 31, 2016 to ₱ 236.18 million in Dec. 31, 2017.

There was a 39.2% or ₱ 727.82 thousand net increase in related party transactions

There was a 51.4% or ₱3.39 million decrease in other current assets due to collection of receivables from a third party.

There was a 33.9% or ₱ 537.01 thousand net decrease in liabilities due to partial settlement of payables.

There was a 100% increase in capital stock due to full payment of private placements made in 2016. An increase of 2.2% or ₱ 2.70 million in deficits is mainly due to the net loss incurred during the year.

For 2017, interest income of ₱1.07 million was 592.00% or ₱912.41 thousand higher as compared to 2016 interest income of only ₱ 154.11 thousand due to substantial increase in cash brought about by full payment of private placements.

Cost and expenses of ₱ 3.76 million was 54.51% or ₱1.33 million higher compared to 2016 operating expenses of ₱ 2.44 million. The increase is mainly attributable to cost of documentary stamp tax and filing fees paid relative to the increase in authorized capital stock.

Calendar Year 2016

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreements with the following investors:

1. Mr. Nathaniel Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share for a total subscription amount of Twenty Six Million Pesos (₱26,000,000.00). The Subscribed Shares shall be issued out of the Company's current authorized capital stock of One Hundred Million Pesos (₱100,000,000.00) consisting of One Billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share. Full payment of the subscription was made on November 10, 2016.
2. Ms. Socorro P. Lim, for the subscription via private placement, to two billion (2,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share for a total subscription amount of Two Hundred Million Pesos (₱200,000,000.00). The Subscribed Shares shall be issued out of the increase in the Company's authorized capital stock from One Hundred Million Pesos (₱100,000,000.00) consisting of One Billion (1,000,000,000) common shares with a par value of Ten Centavos (₱0.10) per share to Three Hundred Million Pesos (₱300,000,000.00) consisting of Three Billion (3,000,000,000) common shares. The required 25% payment downpayment of the subscription amounting to Fifty Million Pesos (₱50,000,000.00) was made on November 15, 2016 and the balance shall be paid within 15 days from SEC approval of the capital increase.

Portions of the proceeds of these transactions will be used for investments into corporate undertakings or businesses though these are still not yet definite or identified as of date, hence, no acquisition or combination has resulted from, or accompanies the transactions.

The Company needs funds to sustain its listing status and invest in businesses and undertakings which the board of directors will deem beneficial for the Company.

The above transactions resulted to a 561.85 % or ₱ 73.64 million increase in cash.

There was 10.56% or ₱998.26 thousand decrease in other current assets due to provision of uncollectible accounts net of additional input taxes earned during the period.

There was 2.37% or ₱ 36.76 thousand increase in accrued expenses attributable to accrual of legal fees and audit fees for the year.

There was an increase in deficit of 2.83% or ₦ 3.39 million mainly due to the net loss incurred during the year.

For 2016, interest income of ₦154 thousand was 222.68% or ₦106.35 thousand higher as compared to 2015 interest income of only ₦ 47.76 thousand due to substantial increase in cash brought about by the cancellation of Heads of Agreement and allied contract with ABACORE and additional payments from the private placements.

Expenses of ₦ 3.51 million was 84.12% or ₦18.61 million lower compared to 2015 operating expenses of ₦ 22.12 million mainly attributable to losses brought about by the cancellation of agreements with ABACORE amounting to ₦20 million incurred in 2015 net of provision for all uncollectible accounts for 2016 .

Calendar Year 2015

On September 26, 2008, the Board of Directors authorized the Company to enter into a Heads of Agreement with Abacus Consolidated Resources and Holdings, Inc. ("ABACON") and Musx Corporation ("Musx") for the joint acquisition by the Company and Musx of all the outstanding and issued shares of Abacus Coal and Exploration and Development Corporation ("ABACOAL"). The joint acquisition was amended on May 21, 2009 whereby the Company acquires the right to purchase one hundred percent (100%) of the shares of stock of ABACOAL.

On July 21, 2015, the Company entered into Cancellation of the Head of Agreement and allied Contracts with Abacus Consolidated Resources Holdings, Inc. (ABACORE) and ABACOAL. The cancellation was necessitated by the fact that the Merger with ABACOAL was not approved by LIHC shareholders for lack of quorum during the Annual Shareholder's Meetings called from 2012 to 2015. In consideration of signing the Cancellation Agreement, ABACORE paid the Company a portion of the deposit for future stock investment amounting to ₦17.0 million. Accordingly, the Company recognized a loss of ₦20.0 million for the unrecovered portion which is presented as Loss on Cancellation of an Agreement. Partial payment of ₦13.5 million contributed to the increase in cash while the balance was presented as collectible.

The reported interest income earned on bank accounts amounting to ₦47,760 was ₦46,998 or 6.168% higher than the interest recorded for the year 2014 of ₦ 762. The increase was due mainly to additional cash as a result of cancellation of the Heads of Agreement by and between Lodestar, ABACOAL and ABACORE. Other income of ₦ 3,049 was derived from reversal of long outstanding liability.

The ₦2.12 million operating expenses for 2015 was 8.19% or ₦ 160.54 thousand higher when compared to 2014 expenses amounting to ₦1.96 million. The increase was attributed to the net effect of the following expenses:

1. Legal Fees – 53.27% or ₦388.89 thousand higher from ₦730 thousand in 2014 to ₦1.12 million in 2015 due to legal fees incurred for the cancellation of various contracts related to ABACOAL.
2. Salaries and Employee benefits – 68.51% or ₦190.99 thousand lower.
3. Director's fees – 14.29% or ₦ 16.66 thousand higher from ₦116.67 thousand in 2014 to ₦133.33 thousand in 2015 due to higher number of attendees.
4. Office supplies and other expenses – 48.73% or ₦ 37.46 thousand lower from ₦ 76.87 thousand in 2014 to ₦39.41 thousand in 2015.

5. Professional Fees –8.79% or ₦ 13.11 thousand lower from ₦149.11 thousand in 2014 to ₦136 thousand in 2015 due to cancellation of a contract with a professional.
6. Representation Expense – 48.62% or ₦14.01 thousand lower from ₦ 28.81 thousand in 2014 to ₦ 14.8 thousand in 2015.
7. Transportation and Travel expenses –66.40% or ₦3.56 thousand lower from ₦5.36 thousand in 2014 to ₦1.8 thousand in 2015.
8. Printing – 21.53% or ₦14.01 thousand increase from ₦ 65.06 thousand in 2014 to ₦ 79.07 thousand in 2015.
9. Taxes and Licenses – 0.66% or ₦0.1 thousand increase from ₦ 15.07 thousand in 2014 to ₦ 15.17 thousand in 2015.

The cancellation of the Heads of Agreement, Amended Heads of Agreement and Allied Contracts entails returned of payments made amounting to ₦ 17 million resulting to additional cash input of ₦13.5 million, receivables of ₦ 3.5 million and losses aggregating ₦20 million.

The above mentioned additional cash input net of expenses incurred during the year contributed to an increase in cash and cash equivalents of ₦ 12.72 million, from ₦ 383.75 thousand in 2014 to ₦ 13.11 million in 2015.

Likewise, this transaction plus a minimal increase in input vat of ₦ 62.6 thousand contributed to an increase in other current assets of ₦3.56 million.

Partial settlement of ₦0.6 million by a stockholder resulted to a decrease in advances from stockholder, from ₦ 2.46 million as of Dec. 2014 to ₦ 1.86 million in 2015.

Total liabilities of ₦ 1.55 million in 2015 is 96.95% or ₦ 762.26 thousand higher when compared to 2014 balances of only ₦ 786.22 thousand. The increase is due to additional legal fees incurred during the year.

Operating expenses net of interest earned from bank deposits and reversal of miscellaneous deposit plus other losses amounting to ₦20 million resulted to a net reduction in equity of ₦ 22.08 million, from ₦ 43.09 million in 2014 to ₦ 21.01 million in 2015.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

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

There are no seasonal aspects that had a material effect on the Company's financial condition or results of operations.

There are no material events and uncertainties known to management that would address the past and would have an impact on future operations of the Registrant.

Item 7. Financial Statements

The Company's Financial Statements together with the notes thereto are incorporated and attached to this report in its entirety.

INFORMATION ON INDEPENDENT ACCOUNTANT

Audit Fees

For 2017, Mangay-ayam, Lim & Co. (MLCPA) are the new external auditors to review the financial statements. Punongbayan and Araullo, has been the Company's independent auditor from 2009 to 2016. Fees paid by the Company covering year 2017 amounted to ₱280,000.00, ₱296,800.00 and ₱ 268,800.00 for 2016 and 2015, respectively.

It was only in 2016 when PNA was commissioned not only to conduct the annual audit of financial statements but also to prepare a special audit report to support the Company's application for increase in authorized capital stock. Service fees amount to ₱ 69,000.00. Also in the same year, MLCPA was appointed to process the increase in authorized capital stock of the company for a fee of ₱ 300,000.00

The Company is not covered by BIR RMC No. 36-2016 and Professional Regulatory Board of Accountancy Resolution No. 03 Series of 2016 requiring the submission of certificate by the responsible Certified Public Accountants on the Compilation Services for the preparation of financial statements and notes thereto. The ruling covers those issuers which have a gross sales or revenues exceeding Ten Million Pesos (₱ 10,000,000.00) for a particular accounting year. The Financial Statements and the notes thereto are prepared by the Interim Accountant of the Issuer.

Audit Committee's Approval Policies and Procedures

The Audit Committee and MLCPA meet to discuss its audit plan, new accounting standards for adoption by the group, timetable, professional staff assigned to perform the engagement and service fees to be charged by the auditor, among others. Before the audit report is finalized, MLCPA has presented the same to the Audit Committee and the Board of Directors and secure its approval for release of the audited financial statements.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has a new External Auditors for calendar year 2017. Also, in compliance with the BIR RMC No. 36-2016 and Professional Regulatory Board of Accountancy Resolution No. 03 Series of 2016, the financial statements and notes thereto for the calendar year ended 31 December 2017 were prepared by the Issuer's Interim Accountant. There were no disagreements with Accountants on accounting and financial disclosure.

Pursuant to the General Requirements of SRC Rule 68, Section 3.b.iv (Qualifications of Independent Auditors), the external auditors shall be rotated every after five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The Company is in compliance with SRC Rule 68, Section 3.b.iv.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The Company's Board of Directors is responsible for the over-all management and direction of the Company. The Board meets to review and monitor the Company's future plans. Each Board member serves for a term of one year and until his successor is duly elected and qualified.

The following table presents the members of the Board of Directors and Officers as at 31 December 2017.

Name	Age	Nationality	Present Position	Date Elected and / or Appointed
Antonio V.F. Gregorio III	45	Filipino	Director and Chairman	May 15, 2009 as Director and Dec. 13, 2012 as Chairman
Chi Ho Co	45	Filipino	Director and President	Sept. 22, 2008 as Director and Dec. 13, 2012 as President
Richard N. Palou	69	Filipino	Director	December 18, 2017
Delfin S. Castro, Jr.	52	Filipino	Director, CFO and Treasurer	December 11, 2015
Ramoncito B. Cabalu	60	Filipino	Director	December 11, 2015
Manuel Ong	59	Filipino	Independent Director	December 11, 2015
Felices Latonero	44	Filipino	Independent Director	December 18, 2017
Venus L. Gregorio	49	Filipino	Corporate Secretary and Corporate Information Officer	December 13, 2012

The following information is furnished with respect to each incumbent director and officer of the Company, with their respective ages, citizenship, and past business experiences from the last five years:

ANTONIO VICTORIANO F. GREGORIO III, 45, Filipino/ Director/ Chairman/ Chairman, Nomination Committee/ Member, Audit Committee

Atty. Antonio Gregorio III graduated Second Honors, with a Juris Doctor from the Ateneo de Manila University in 1998 and passed the bar examinations of 1999. He also has a Bachelor of Science Major in Management Engineering and a Bachelor of Arts, Major in Economics-Honors, both from the Ateneo de Manila University, Magna Cum Laude. He was a valedictorian of his high school class in the Ateneo. Atty. Gregorio sits as director and officer of various public and private companies, including NiHao Mineral Resources International, Inc. (President from 2011 to present and Chairman from 2012 to present), Dizon Copper-Silver Mines (Treasurer/Director from 2012 to present), Abacore Capital Holdings, Inc. (Director, 2009 to present), Cuervo Far East, Inc. (Corporate Secretary/Director 2005 to present), Beaver Q Corporation and Barnyard Realty Corporation (Corporate Secretary, 2002 to present), Big Herald Link International Corporation (Corporate

Secretary/Treasurer/Director, 2004 to present), Tajima Yakiniku, Inc. (Director, 2005 to present) and 4A9T Scholarship Foundation, Inc. (Corporate Secretary/Trustee from 1999 to present). He was formerly the Chairman and President of Asiabest Group International, Inc. (2011 to May 2017) and Corporate Secretary/Director (2008 to 2011). He was also the Corporate Secretary/ Director of the following companies: GNA Resources International Limited (2011 to 2015), World Wide Manpower Overseas, Inc. (2007 to 2014).

CHI HO CO, 45, Filipino/ Director and President/ Member, Audit Committee/ Member, Nomination Committee/ Member, Executive Committee.

Mr. Chi Ho Co is a businessman who currently serves as Director and Officer of various publicly listed and private companies including, NiHAO Mineral Resources International, Inc. (2013 to present), Geograce Resources Philippines, Inc. (2013 to present), Hightower, Inc. of which he is the President (2003 to present), Glomedic Philippines, Inc. (Chairman, 2004 to present), Banquets in Style, Inc.(Chairman, 2003 to present), Cavite Apparel Corporation (VP, 1998 to present), Subic Bay Apparel Corporation (VP, 1998 to present), Julia Realty & Development Corp. (Treasurer, 2006 to present), Edgeport Properties, Inc. (Treasurer/Secretary, 2006 to present), Fasttrack Realty & Development, Inc. (Chairman, 2004 to present) and CAC Motors Corp. (President, 2002 to present) among other companies. He was formerly a Director of Asiabest Group International Inc. (2011 to May 2017)

RICHARD WILLIAM N. PALOU, 69, Filipino/ Director/ Member, Governance Committee and Compensation Committee

Mr. Palou is an MBA candidate and a graduate of Business Management at the Ateneo de Manila University. He currently serves as Director of DENAGA pawnshop, Inc. (2007 to present) , Vantage Investigation and Security Agency, Inc. (2007 to present), First Philippine Wind Corporation (1997 to present). He was formerly a Director of Asiabest Group International, Inc. (2008 to May 2017) and a Director for the University Athletics at the Ateneo de Manila University (2004 to 2017).

DELFIN S. CASTRO, JR., 52, Filipino/ Director/Treasurer/Assistant Corporate Information Officer/ Member, Compensations Committee

Mr. Delfin S. Castro, Jr. holds a Masters Degree in Business Administration and a Bachelor of Science Degree in Business Administration from the University of the Philippines. He is currently the Chairman and President of Dizon Copper-Mines, Inc. (2012 - present), Treasurer of NiHao Mineral Resources International, Inc. (2001-present), Director/Treasurer of Geograce Resources Philippines, Inc. (2006-present). He is also a Director and Corporate Secretary of Sunplaza Development Corporation and Treasurer of the Peak Condominium Corporation. Her was formerly a Director/Treasurer of Asiabest Group International, Inc. (2010 – May 2017)

RAMONCITO CABALU, 60, Filipino/ Director

Mr. Cabalu graduated with a Bachelor of Arts degree major in Economics and Social Sciences at the University of the Philippines in 1977. Mr. Cabalu is a Director and President of a major entertainment company Circle Asia Group with major industry players to service

the entertainment requirements of gaming companies in Manila and the emerging markets (2014). He is also currently a Director and Partner of Maple Tree Investments (2014) and Vice-President/Partner for Business Development of Garco Minerals and Chemical Trading.

MANUEL G. ONG, 59, Filipino/ Independent Director/ Chairman, Governance Committee, Compensations Committee and Audit Committee/ Member, Executive Committee & Nominations Committee

Mr. Manuel Ong studied Bachelor of Science major in Chemical Engineering from the Xavier School. He is currently the Vice President and Technical Director of Industrial Welding Corporation.

FELIXES LATONERO, 44, Filipino/ Independent Director/Member, Governance Committee

Mr. Latonero is a returning Independent Director after his resignation in 2016. He is likewise currently an Independent Director of Nihao Mineral Resources International, Inc. (2014-present) and Asiabest Group International, Inc. (2015-present). He is also the President of Nontrad Advertising and FGL Modular Cabinet System, Inc. (2003-present). He graduated in 1995 with a degree in Fine Arts from the EARIST.

VENUS L. GREGORIO, 49, Filipino/ Corporate Information Officer/ Corporate Secretary

Atty. Gregorio graduated with a Juris Doctor from the Ateneo de Manila University in 1998 and passed the bar examinations in 1999. She has a Bachelor of Arts degree major in Political Science from the University of the Philippines. Atty. Gregorio sits as Assistant Corporate Information Officer and Assistant Corporate Secretary of Dizon Copper-Silver Mines, Inc., Asst. Corporate Secretary/Director of Cuervo Far East, Inc. (2005 to present), and Corporate Secretary of Tajima Yakiniku Inc. (2005 to present). She was formerly the Corporate Secretary and Corporate Information Officer of Asiabest Group International Inc. (2011 to 2017).

Family Relationships

Atty. Antonio Victoriano F. Gregorio III and Atty. Venus L. Gregorio are spouses.

Other than the relationship disclosed above, the company is not aware of any other family relationships up to the fourth civil degree, either by consanguinity or affinity, among the directors and officers of the Company.

Involvement in Certain Legal Proceedings

The Company is not aware of:

- (a) any bankruptcy petition filed by or against any business or which any director or member of senior management was a general partner or executive officer either at the time of bankruptcy or within two years prior to that time;
- (b) any conviction by final judgment, of any director or member of senior management, including the nature of the offense, in a criminal proceeding,

- domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) of any director or member of senior management being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign permanently or temporarily enjoining, barring, suspending or otherwise limiting such director's or member of senior management's involvement in any type of business, securities, commodities or banking activities; and
- (d) any director or member of senior management being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory been reversed, suspended, or vacated, during the last five (5) years up to the date of filing.

Item 10. Executive Compensation

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Amount of Compensation
	2018 (est)	0
Antonio V.F. Gregorio III, Chairman (1) Chi Ho Co, President (1) Delfin S. Castro, Jr., Treasurer/ CFO (1) No other officers receiving compensation as a group		sum of the aggregate of the named executives
	2017	0
Antonio V.F. Gregorio III, Chairman (1) Chi Ho Co, President (1) Delfin S. Castro, Jr., Treasurer/ CFO (1) No other officers receiving compensation as a group		sum of the aggregate of the named executives
	2016	0
Antonio V.F. Gregorio III, Chairman (1) Chi Ho Co , President (1) Delfin S. Castro, Jr., Treasurer/ CFO (1) No other officers receiving compensation as a group		sum of the aggregate annual cash compensation of the named executives

(1) No compensation for services rendered

- **Compensation of Directors**

Other than a minimal per diem in the amount of ₱5,000.00 to ₱10,000.00 for each Board meeting attended, the Directors of the Company are not compensated, directly or indirectly, for any services provided as such including committee participation or any special assignments.

- **Employment Contracts and Termination of Employment and Change-in-control Arrangement**

There are no special arrangements as to the employment contract of any executive officer such that said officer will be compensated upon his resignation, retirement or other termination from the Company or its subsidiaries, or as may result from a change-in-control except as provided by law.

- **Warrants and Options Outstanding**

There are no outstanding warrants and options outstanding held by the Company's President, the named executive officers and all officers and directors as a group.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

The following are the owners of record of more than five percent (5%) of the Company's outstanding capital stock, the number of shares and percentage of shareholdings of each of them as of 31 December 2017.

Type of Class	Name, address of owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Amount of Ownership	Percent of Class
Common	Socorro P. Lim		Filipino	2,000,000,000	66.67%
Common	PCD Nominee Corporation	AP Securities, Inc. – 200,937,000 (6.70%)	Filipino	626,383,429	20.88%
Common	Nathaniel C. Go		Filipino	260,000,000	8.67%

Security Ownership of Management

The following are the number of common shares owned of record by the directors and executive officers of the Company and the percentage of shareholdings of each of them, as of December 31, 2017:

Title of Securities	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (D) direct/ (I) indirect	Citizenship	Percent of Class
Common	Antonio V.F. Gregorio III Chairman and Director	10,000 (Direct)	Filipino	0.000%
Common	Chi Ho Co President and Director	10,000 (Direct)	Filipino	0.00%

Title of Securities	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (D) direct/ (I) indirect	Citizenship	Percent of Class
Common	Delfin S. Castro, Jr. Director, CFO, Treasurer and Assistant Corporate Information Officer	10,000 (Direct)	Filipino	0.00%
Common	Ramoncitu Cabalu Director	1,000 (Direct)	Filipino	0.00%
Common	Richard N. Palou Director	10,000 (Direct)	Filipino	0.00%
Common	Manuel Go Ong Independent Director	1,000 (Direct)	Filipino	0.00%
Common	Felixes G. Latonero Independent Director	1,000 (Direct)	Filipino	0.00%
Common	Venus L. Gregorio Corporate Secretary and Corporate Information Officer	10,000 (Indirect) From Antonio V.F. Gregorio	Filipino	0.00%
	Aggregate for above named Officers and Directors	43,000		0.00%

Changes in Control

No arrangements are in place, which may result in a change in the control of the Company.

Item 12. Certain Relationships and Related Transactions

Transactions With Related Parties:

The Company extended advances to a stockholder which amounted to ₱2,854,892 and ₱1,857,076 of December 31, 2017 and 2016 respectively.

Transactions With Key Management Personnel:

The Company avails of the services rendered by lawyers who are also key management personnel of the Company. The related legal fees for 2017 amount to ₱840 thousand.

PART IV – CORPORATE GOVERNANCE

As indicated in SEC Memorandum Circular No. 15 dated 15 December 2017, the 2017 Annual Corporate Governance Report will be submitted in a separate report on or before 30 May 2018.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

None.

(b) Reports on SEC Form 17-C

The following SEC Form 17-C (Current Reports) have been filed by the Company during the last twelve-month period covered by this report on the dates mentioned hereunder:

Date of Event Reported	Event Reported
Jan. 12, 2017	Change in Number of Issued and Outstanding Shares From 740,000,000 common shares to 1,000,000,000 common shares
March 24, 2017	The following matters were taken up during the board meeting : (1) Board approval of the Annual Audited Financial Statements and Annual Report for the year ended 31 December 2015. (2) Postponement of the Annual Stockholders' meeting scheduled to be held on 2 nd Thursday of May to a specific date and time to be determined by the President and/or Chairman.
May 29, 2017	The following matters were taken up during the board meeting : (1) Approval of the Annual Corporate Governance Report for 2016 and appointment of the authorized signatories thereto. (2) Approval of the 2017 Code of Corporate Governance.
June 15, 2017	Amendment of Articles of Incorporation of the Company changing its place of business from Metro Manila, Philippines to 7 th Floor Peaksun Bldg., Princeton St., Brgy. Greenhills East Wack Wack, Mandaluyong City.
June 15, 2017	Change in Number of Issued and Outstanding Shares from 1 Billion common shares to 3B common shares

June 15, 2017	Increase in Authorized Capital Stock from 1 Billion common shares to 3B common shares
October 30, 2017	Notice of annual stockholders' meeting
December 18, 2017	Annual stockholders' meeting and organizational meeting of the Board of Directors.

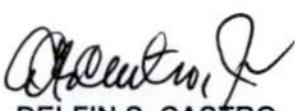
SIGNATURES

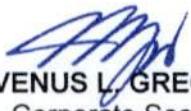
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Mandaluyong City on April 05, 2018.

By:


ANTONIO VICTORIANO F. GREGORIO III
Chairman of the Board


CHI HO CO
President


DELFIN S. CASTRO, JR.
CFO/ Treasurer


VENUS L. GREGORIO
Corporate Secretary

13 APR 2018

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2018
affiants exhibiting to me

Name	ID No.
Antonio V.F. Gregorio III	TIN 201-897-602
Chi Ho Co	TIN 167-858-435
Delfin S. Castro, Jr.	TIN 164-381-790
Venus Gregorio	TIN 181-964-522

Doc. No. : 61
Page No. : 19
Book No. : 4
Series of 2018.

ATTY. JUAN JAIME M. NOLASCO
NOTARY PUBLIC, EXPIRED DEC. 31, 2019
IBP NO. 022893 - 1/3/18 RSM
PTR NO. 3387649 - 1/3/18 - MAND. CITY
ROLL NO. 60888 / MCLE NO. V-0017168 / 3/21/16
UNIT 3F CSV BLDG. MAYSILo CIRCLE
BRGY. PLAINVIEW MAND. CITY



**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Board of Directors
LODESTAR INVESTMENT HOLDINGS CORPORATION
7th Floor, Peaksun Building
1505 Princeton St. corner Shaw Boulevard
Brgy. Wack-WackGreenhills East,
Mandaluyong City

We have audited in accordance with the Philippine Standards on Auditing, the accompanying financial statements of **LODESTAR INVESTMENT HOLDINGS CORPORATION** as at and for the years ended December 31, 2017 (with comparative figures for 2016 and 2015), included in this Form 17-A, and have issued our report thereon dated April 5, 2018. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the management. These schedules are presented for the purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

MANGAY-AYAM, LIM & CO. CPAS

TIN 228-756-505

Board of Accountancy Cert. No. 0672, valid until December 31, 2018

SEC Accreditation No. 0302-F, (Group A) - valid until April 30, 2018

CDA-CEA: 0020-AF, valid until March 20, 2020

BIR AN: 08-001698-000-2018, valid until February 12, 2021

By:

RODRIGO M. MANGAY-AYAM

Partner

CPA Certificate No. 21565

BOA Certificate No. 00672, valid until December 31, 2018

SEC Accreditation No. 1455-A, (Group A), valid until April 30, 2018

BIR AN: 08-001698-1-2018, valid until February 12, 2021

TIN No. 123-447-203

PTR No. 6629138MD, January 11, 2018, Makati City

Makati City, Philippines
April 05, 2018

Lodestar Investment Holdings Corporation
List of Supplementary Information
December 31, 2017

Schedule	Content	Page No.
Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68		
A	Financial Assets	
	Financial Assets at Fair Value Through Profit or Loss	1
	Held-to-maturity Investments	1
	Available-for-sale Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Intangible Assets - Other Assets	4
E	Long-term Debt	5
F	Indebtedness to Related Parties	6
G	Guarantees of Securities of Other Issuers	7
H	Capital Stock	8
Others Required Information		
	Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2017	9
	Map Showing the Relationship Between the Company and its Related Entities	10
	Key Performance Indicators	11

Lodestar Investment Holdings Corporation
Schedule A - Financial Assets
December 31, 2017

<i>Name of Issuing Entity and Description of Investment</i>	<i>Amount shown in the Balance Sheet</i>	<i>Value based on market quotation at end of reporting period (per share)</i>	<i>Income received and accrued</i>
			Not applicable

Lodestar Investment Holdings Corporation

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2017

<i>Name and Designation of Debtor</i>	<i>Balance at Beginning of Year</i>	<i>Additions</i>	<i>Deductions</i>		<i>Ending Balance</i>		<i>Balance at End of Year</i>
			<i>Amounts Collected</i>	<i>Amounts Written-off</i>	<i>Current</i>	<i>Non - Current</i>	

Lodestar Investment Holdings Corporation

Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2017

<i>Name of Related Party</i>	<i>Balance at Beginning of Period</i>	<i>Additions</i>	<i>Amount collected</i>	<i>Amounts written off</i>	<i>Current</i>	<i>Non-current</i>	<i>Balance at end of period</i>

Not applicable

Lodestar Investment Holdings Corporation
Schedule D - Intangible Assets - Other Assets
December 31, 2017

<i>Description</i>	<i>Beginning Balance</i>	<i>Additions at costs</i>	<i>Charged to Cost and Expenses</i>	<i>Charged to Other Accounts</i>	<i>Other Changes Additions (Deductions)</i>	<i>Ending Balance</i>

Not applicable

Lodestar Investment Holdings Corporation
Schedule E - Long-term Debt
December 31, 2017

<i>Title of Issue and Type of Obligation</i>	<i>Amount Authorized by Indenture</i>	<i>Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Balance Sheet</i>	<i>Amount Shown Under Caption "Long-term Debt" in related Statement of Condition</i>
			Not applicable

Lodestar Investment Holdings Corporation
Schedule F - Indebtedness to Related Parties (Long-term Loans from Related Companies)
December 31, 2017

<i>Name of Related Party</i>	<i>Balance at Beginning of Year</i>	<i>Balance at End of Year</i>

Not applicable

Lodestar Investment Holdings Corporation
Schedule G - Guarantees of Securities of Other Issuers
December 31, 2017

<i>Name of Issuing Entity of Securities Guaranteed by the Company for which This Statement is Filed</i>	<i>Title of Issue of Each Class of Securities Guaranteed</i>	<i>Total Amount Guaranteed and Outstanding</i>	<i>Amount Owned by Person for which This Statement is Filed</i>	<i>Nature of Guarantee</i>

Not applicable

Lodestar Investment Holdings Corporation
Schedule H - Capital Stock
December 31, 2017

<i>Title of Issue</i>	<i>Number of Shares Authorized</i>	<i>Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption</i>	<i>Number of Shares Reserved for Options, Warrants, Conversion and Other Rights</i>	<i>Number of Shares Held by</i>		
				<i>Related Parties</i>	<i>Directors, Officers and Employees</i>	<i>Others</i>
Common shares	3,000,000,000	3,000,000,000	-	-	43,000	2,999,957,000

Lodestar Investment Holdings Corporation
7th Floor, Peaksun Bldg., 1505 Princeton St. corner Shaw Blvd.
Wack Wack Greenhills East, Mandaluyong City

Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2017

The Company has a deficit as at December 31, 2017. Presented below is an analysis of the deficit for purposes of this reconciliation requirement.

DEFICIT AT BEGINNING OF YEAR	P	123,095,367
Net loss for the year		<u>2,696,883</u>
DEFICIT AT END OF YEAR	P	<u>125,792,250</u>

LODESTAR INVESTMENT HOLDINGS CORPORATION
Map Showing the Relationship Between the Company and its Related Entities
December 31, 2017

Not applicable

LODESTAR INVESTMENT HOLDINGS CORPORATION
Key Performance Indicators
December 31, 2017

	2017	2016	2017	2016
a.) Current Ratio				
Current Assets	P 241,970,826	P 95,204,724	230.84	60.06
Current Liabilities	1,048,218	1,585,233		
b.) Quick Ratio				
Cash	236,181,874	86,752,612	225.32	54.73
Current Liabilities	1,048,218	1,585,233		
c.) Debt-to-equity Ratio				
Debt	1,048,218	1,585,233	0.00	0.02
Equity	240,922,609	93,619,491		
d.) Book value per share				
Equity	240,922,609	93,619,491	0.08	0.09
No. of Shares Outstanding	3,000,000,000	1,000,000,000		
e.) Net Profit Margin				
<i>Not applicable. The Company is in a net loss position in 2017 and 2016 since it has not yet started its commercial operations.</i>				
f.) Asset to Equity Ratio				
Assets	241,970,826	95,204,724	1.00	1.02
Equity	240,922,609	93,619,491		
g.) Interest Rate Coverage Ratio				
<i>Not applicable. The Company has no borrowings in 2017 and 2016.</i>				
h.) Gross Profit Margin				
<i>Not applicable. The Company has no revenue in 2017 and 2016 since it has not yet started its commercial operations.</i>				

ANNEX 'C'

SEC Registration Number

5	4	1	0	6							
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Company Name

L	O	D	E	S	T	A	R	I	N	V	E	S	T	M	E	N	T	H	O	L	D	I	N	G	S		
C	O	R	P	O	R	A	T	I	O	N																	

Principal Office (No./Street/Barangay/City/Town/Province)

7	F	P	e	a	k	s	u	n	B	u	i	l	d	i	n	g	1	5	0	5	P	r	i	n	c			
t	o	n	S	t	.	,	c	o	r	.	S	h	a	w	,	B	l	v	d	.	,							
B	r	g	y	W	a	c	k	-	W	a	c	k	,	G	r	e	e	n	h	i	l	l	s					
E	a	s	t	,	M	a	n	d	a	l	u	y	o	n	g	C	i	t	y									

Form Type

1	7	Q	1
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

www.lodestarholdings.com
--

Company's Telephone Number/s

(632) 928-9246

Mobile Number

N/A

No. of Stockholders

60

Annual Meeting

2nd Wednesday of May

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Venus L. Gregorio

Email Address

Nitsbeng.gregoriolaw@mydestiny.net

Telephone Number/s

(632) 920-9306

Mobile Number

--

Contact Person's Address

7F Peaksun Bldg., 1505 Princeton St. corner Shaw Blvd., Mandaluyong City
--

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.



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 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the quarterly period ended: March 31, 2018
2. SEC Identification Number: 54106 3. BIR Tax Identification No.: 200-751-430-000
4. Exact name of issuer as specified in its charter:

LODESTAR INVESTMENT HOLDINGS CORPORATION

5. Philippines
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 7th Floor Peaksun Bldg., 1505 Princeton St., Shaw Blvd., Mandaluyong City
Address of principal office 1555
Postal Code
8. (632) 920-9306
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class (Par value: ₱0.10)	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares (issued)	3,000,000,000 ¹
Common Shares (authorized)	3,000,000,000

11. Are any or all of these securities listed on a Stock Exchange.

Yes [/] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange Common Shares : 640,000,000

¹ Number of issued and outstanding shares based on the records of the Stock and Transfer Agent.

12. Check whether the issuer:

(a) 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 Corporation 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 []

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

Yes [/] No []

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See attached “Annex A”

The Company's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

This Financial Statements meeting the requirements of SRC Rule 68, is furnished as specified therein.

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) 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;
- c) There are no 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;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- f) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- h) No seasonal or cyclical factor that affected this quarter's interim operations.

Item 2. Management's Discussion and Analysis (MD&A) or Plan of Operations

Plan of Operation

Part III, Paragraph (A) of Annex "C" of the Securities Regulation Code under Rule 12 states that the information under subparagraph (2) thereof is required for companies that are operational and had revenues from its operations. In this light, the foregoing information only tackles Part III, Paragraph (A) (1) of Annex "C", insofar as applicable.

Business

On January 3, 1974, Lodestar Mining Corporation (now Lodestar Investment Holdings Corporation) ("LIHC" or the Company") was incorporated in the Philippines and established initially as a mining and natural resources exploration company. The Company was engaged in the development of several gold and chromite mining claims in Masbate, Cebu, Negros Occidental and Palawan.

In 1988, the Company filed an application for listing of its 30,000,000 common shares with the Philippine Stock Exchange ("PSE") formerly known as the Manila and Makati Stock Exchanges. On October 11, 1988, the SEC issued to the Company a Certificate of Permit to Offer Securities for Sale and rendered the Registration Statement to be effective. The Company was able to complete its initial public offering and the listing of the Company's shares was made effective on May 26, 1989.

In October 2003, the name and primary purpose of the Company were changed to reflect a change from a mining company to an investment holding company.

On July 7, 2005, the Board of Directors approved the write-off of the aforementioned mining properties or claims in its financial statement as of June 30, 2005. The mining properties were reviewed as to impairment in accordance with SFAS 36/IAS 36: Impairment of Assets.

The Board of Directors, during its special meeting held on October 28, 2008, approved the private placement offering of 12,694,000 LIHC shares at the price of ₱ 2.50 per share. On 12 December 2008, the stockholders of the Company likewise approved the capital increase of the Company from ₱50,000,000.00 divided into 50,000,000 shares at ₱1.00 per share to ₱100,000,000.00 divided into 100,000,000 shares at ₱1.00 per share. In line with this application for capital increase, the Board of Directors of the Company, during its special meeting held on 13 March 2009, approved the private placement offering of 14,000,000 shares at the price of ₱1.20 per share. Said private placement funded the increase in authorized capital stock.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱1.00) to Ten Centavos (₱0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On 11 December 2015, during the Annual Stockholders' Meeting of the Company, the shareholders confirmed, ratified and re-adopted the 2009 Stockholders' approval of the increase in the authorized capital stock of LIHC. Said resolution was passed during the 17 December 2009 Annual

Meeting wherein shareholders, holding at least 2/3 majority of the outstanding capital stock, voted in favor of the capital increase from one hundred million pesos (₱100,000,000.00) divided into one hundred million (100,000,000) shares at a par value of one Peso (₱1.00) per share to three hundred million Pesos (₱300,000,000.00) divided into three billion (3,000,000,000) shares at the reduced par value of Ten centavos (₱0.10) per share without stockholders' pre-emptive right.

On September 26, 2008, the Board of Directors authorized the Company to enter into a Heads of Agreement with Abacus Consolidated Resources and Holdings, Inc. ("ABACON") and Musx Corporation ("Musx") for the joint acquisition by the Company and Musx of all the outstanding and issued shares of Abacus Coal Exploration and Development Corporation ("ABACOAL") with a sharing arrangement of fifty five percent (55%) for Musix and forty five (45%) for the Company. The Company and Musx have likewise entered into an Agreement for Joint Investment whereby the investment parameters for such investment into ABACOAL were set forth.

On May 21, 2009, the Company executed an Amendment to the Agreement for Joint Investment with Musx Corporation. The amendment primarily consists in the assignment to the Company of Musx's fifty-five percent (55%) interest in ABACOAL subject to the terms and conditions provided in the said agreement. As a result, the Company acquired the right to purchase one hundred percent (100%) of the shares of stock of ABACOAL which necessitated a bigger capital expenditure on the part of the Company.

On May 31, 2009, the Company executed a Memorandum of Agreement with Oriental Vision Mining Corporation ("Oriental") to undertake exploration and development activities of the coal properties of ABACOAL. Under the agreement, Oriental shall develop and operate the Coal Property and pay the Company a royalty fee of Eight Percent (8%) of gross coal price per ton based on FOB loaded to vessel.

On July 21, 2015, the Company entered into Cancellation of the Heads of Agreement, Amended Heads of Agreement and Allied Contracts with Abacus Consolidated Resources Holdings, Inc. (ABACORE) and Abacus Coal Exploration and Development Corporation (ABACOAL). The cancellation was necessitated by the fact that the Merger with ABACOAL was not approved by LIHC shareholders for lack of quorum during the Annual Shareholder's Meeting called for the three (3) years prior.

The Company thus, no longer has any contractual interest over ABACOAL as a result of the cancellation of other Heads of Agreement and its allied contracts.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share. Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱0.10) per share.

On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17,

2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase of the Company's authorized capital stock.

Business Plan:

Still in line with the primary purpose of the Company as a holdings corporation, business outlook for 2017 is geared towards looking for other business ventures. Thus, the Company may again tap into various sources to look for opportunities in the various business sectors that are viable, growing and profitable. The Company's strategy will be to invest, buy-in or acquire businesses where the Company will at least own a significant stake or interest in the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

The Company with the approval of the SEC, implemented an increase in its Authorized Capital. This capital raising plan is intended to provide the Company investable funds and working capital for prospective projects. Specifics of such deals, if any, will be properly disclosed in accordance with the continuing disclosure requirements of the SEC and the PSE.

Likewise, the Company's cash requirements were satisfied from the proceeds/collection of Advances from stockholders and the proceeds of private placements with investors.

Management's Discussion and Analysis for the Interim Period Ended March 31, 2018 as compared with March 31, 2017:

Revenues

The Company did not earn any revenue during the three-month period ended March 31, 2018 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₱ 28.40 thousand or 6.60% from ₱ 428.28 thousand in March 2017 to ₱ 399.88 thousand in March 2018. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₱ 359.14 thousand for the interim period ended March 2018 which is 15.80% or ₱ 67.15 thousand lower as compared to net loss of ₱ 426.30 thousand incurred for the same period in 2017.

Financial Condition

The Company's Total Assets comprising of Current Assets amount to ₱ 241.61 million which is 155.27% or ₱ 146.96 thousand lower than that of March 31, 2017 balance amounting to ₱ 94.65 million.

The Company's Total Liabilities decreased by ₱ 405.39 thousand or 27.85% from ₱ 1.46 million in March 2017 to ₱ 1.05 million in March 2018.

Stockholders' equity posted a 158.13% or ₱ 147.37 million increase from ₱ 93.19 million in March 2017 to ₱ 240.56 million in March 2018, attributable mainly to increase in capital stock net of expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of March 31, 2018 as compared with pro-forma Balance Sheet as of March 31, 2017 (increase/decrease of 5 % or more)

173.49 % or ₦ 149.84 million increase in Cash and cash equivalents from ₦ 86.36 million in March 2017 to ₦ 236.20 million in March 2018. The significant increase is due to additional subscription of capital stock and deposit for future subscription.

31.44 % or ₦ 521 thousand increase in advances from a stockholder from ₦ 1.66 million in March 2017 to ₦ 2.18 million in March 2018. The significant increase is due to additional advances made in 2017.

51.18% or ₦ 3.39 million decrease in other current assets from ₦ 6.63 million in March 2017 to ₦ 3.23 million in March 2018 due to collection of other receivables.

27.85% or ₦ 405.39 thousand decrease in liabilities from ₦ 1.46 million in March 2017 to ₦ 1.05 million in March 2018 due to partial settlement of payables.

100 % or ₦ 150 million increase in capital stock and deposit in future subscription from ₦ 150 million in March 2017 to ₦ 300 million in March 2018 due to increase in paid up capital.

2.13% or ₦ 2.63 million increase in deficit due to losses incurred during the period.

Key Performance Indicators

Considering the Company's non-operational status, the key performance indicators of the Company are as follows:	March 31, 2018	March 31, 2017
Current Ratio (1)	230.07x	65.03x
Quick Ratio (2)	224.91x	59.33x
Debt-equity ratio (3)	0.004x	0.016x
Book value per share (4)	0.08x	0.09x
Net Profit Margin (5)	NA	NA

(1) *Current Assets / Current Liabilities*

March 2018 (₦ 241,613,644/₦ 1,050,179)
 March 2017 (₦ 94,648,765/₦ 1,455,571)

(2) *Cash / Current Liabilities*

March 2018 (₦ 236,200,664/₦ 1,050,179)
 March 2017 (₦ 86,365,217/₦ 1,455,571)

(3) *Debt / Equity*

March 2018 (₦ 1,050,179/₦ 240,563,465)
 March 2017 (₦ 1,455,571/₦ 93,193,194)

(4) *Equity /Subscribed Shares*

March 2018 (₦ 240,563,465/3,000,000,000)
 March 2017 (₦ 93,193,194/1,000,000,000)

The Current Ratio is the general measure of a company's liquidity. It represents the ratio of all current assets to all current liabilities. It is sometimes called the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities. Current ratio is significantly higher than the same period last year due to cash brought about by the increase in authorized capital stock.

The Quick Ratio is another measure of a company's liquidity. It is used to measure a company's ability to pay its liabilities using assets that are cash or very liquid. Since the Company does not have any marketable securities and accounts receivables, the computation of this ratio was based on cash alone. Quick ratio for the current period is higher as compared to the same period of last year.

The Debt to Equity Ratio is a measure of leverage, or the relative amount of funds provided by lenders and owners. This measures the amount of debt being used by the Company. The ratio for the current period is lower as compared with that of last year due to the payment of accrued expenses and an increase in authorized capital stock.

Book value Per Share is a measure of stockholders' equity. It represents the difference between total assets and total liabilities divided by the total number of shares outstanding.

Net Profit Margin Ratio related to the profits of a company to its sales, assets or equity. It indicates the rate of profit from sales and other revenues. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

Additional Financial Soundness Indicators

	March 31, 2018	March 31, 2017
Asset to equity ratio (1)	1.00x	1.02x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) *Total Assets / Total Equity*
 March 2018 (₱ 241,613,644/ ₱ 240,563,465)
 March 2017 (₱ 94,648,765/ ₱ 93,193,194)

(2) *Income before Interest and Taxes / Interest Expense*
 March 2018 N/A
 March 2017 N/A

(3) *Gross Profit / Sales*
 March 2018 N/A
 March 2017 N/A

Asset to Equity ratio measures the financial leverage and long term solvency of the Company. It is derived by dividing the total asset from its total equity.

Interest Coverage Ratio determines how easily a company can pay interest on outstanding debt. The Company did not incur any interest on its advances.

Gross Profit Margin is derived by dividing gross profit by the sales. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

PART II – OTHER INFORMATION

There are no contingent liabilities or contingent assets or known trend and events that may materially affect the company's operation nor are there estimates of amounts reported in prior periods that may have a material effect on the attached financial statements.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Mandaluyong City on May 15 2018.

By:



CHI HO CO
President



DELFIN S. CASTRO, JR.
Treasurer

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION

" ANNEX A"

	Notes	Unaudited March 31, 2018	Audited Dec 31, 2017
ASSETS			
Current Assets			
Cash and cash equivalents		₽ 236,200,664	₽ 236,181,874
Due from related parties		2,178,076	2,584,892
Other current assets		3,234,904	3,204,060
		₽ 241,613,644	₽ 241,970,826
LIABILITIES & STOCKHOLDERS' EQUITY			
Liabilities			
Accounts payable and accrued expenses	3	₽ 1,050,179	₽ 1,048,218
Total Liabilities		1,050,179	1,048,218
Stockholder's Equity			
Capital Stock - P0.10 par value	4	300,000,000	300,000,000
Additional Paid-In Capital		66,714,858	66,714,858
Deficit		(126,151,393)	(125,792,250)
Total Stockholders' Equity		240,563,465	240,922,608
		₽ 241,613,644	₽ 241,970,826

LODESTAR INVESTMENT HOLDINGS CORPORATION
 STATEMENTS OF INCOME
 (Unaudited)

	January 1 to March 31, 2018 (Three Months)	January 1 to March 31, 2017 (Three Months)
REVENUES	₱	₱
EXPENSES	399,879	428,277
INCOME (LOSS) BEFORE OTHER LOSSES	(399,879)	(428,277)
INTEREST INCOME	40,735	1,979
<u>NET INCOME (LOSS)</u>	<u>₱ (359,143)</u>	<u>₱ (426,297)</u>
NUMBER OF COMMON SHARES	<u>3,000,000,000.00</u>	<u>1,000,000,000.00</u>
Loss Per Share	<u>(0.000)</u>	<u>(0.000)</u>

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Unaudited March 31, 2018		Audited Dec. 31, 2017		Unaudited March 31, 2017		Audited Dec. 31, 2016
CAPITAL STOCK - ₦ 0.10 par value							
Beginning Balance	₦	300,000,000	₦	100,000,000	₦	100,000,000	₦
Additional Subscription				200,000,000			26,000,000
Balance at end of period	₦	300,000,000	₦	300,000,000	₦	100,000,000	₦
ADDITIONAL PAID-IN CAPITAL							
Beginning Balance	₦	66,714,858	₦	66,714,858	₦	66,714,858	₦
Subscribed				-			
Balance at end of period	₦	66,714,858	₦	66,714,858	₦	66,714,858	₦
DEPOSIT FOR FUTURE SUBSCRIPTION		-		-		50,000,000	50,000,000
DEFICIT							
Beginning Balance	₦	(125,792,250)	₦	(123,095,367)	₦	(123,095,367)	₦
Net Income (loss)		(359,143)		(2,696,883)		(426,297)	
Balance at end of period	₦	(126,151,393)	₦	(125,792,250)	₦	(123,521,664)	₦
STOCKHOLDERS' EQUITY, END	₦	240,563,465	₦	240,922,608	₦	93,193,194	₦

LODESTAR INVESTMENT HOLDINGS CORPORATION
 STATEMENTS OF CASH FLOWS
 (Unaudited)

	January 1 to March 31, 2018 (Three Months)	January 1 to March 31, 2017 (Three Months)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱ (359,143)	₱ (426,297)
Adjustment for:		
Interest Income	(40,735)	(1,979)
Net loss before working capital changes	(399,878)	(428,276)
Adjustment to reconcile net loss to net cash provided by operating activities		
Changes in operating assets and liabilities		
Decrease (increase) in :		
Other current assets	(30,844)	(31,436)
Increase (decrease) in :		
Accounts payable and accrued expenses	1,961	(129,662)
Net cash provided by operating activities	<u>(428,761)</u>	<u>(589,374)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	40,735	1,979
Disposals (acquisitions) of property and equipment	-	-
Net cash used in investing activities	<u>40,735</u>	<u>1,979</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Collection from a stockholder	406,816	200,000
Receipts of payment of subscription to capital stocks	-	-
Net cash provided by (used in) financing activities	<u>406,816</u>	<u>200,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,790	(387,395)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	236,181,874	86,752,612
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱ 236,200,664	86,365,217

LODESTAR INVESTMENT HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with the Philippine Financial Reporting Standards. The company has followed the same accounting policies and methods of computation used with the most recent annual financial statement. No new accounting policy has been adopted for this interim report.

2. RELATED PARTY TRANSACTIONS

In 2012, the Company grants non-interest bearing advances to a stockholder for working capital purposes. The advances to the stockholder are unsecured and are due and demandable anytime. These advances are generally settled in cash.

As at March 31, 2018, based on management's assessment, the outstanding balance of the Company's advances to a stockholder amounting to ₱2,178,076 is not impaired, hence, no impairment loss is recognized.

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of accrued expenses which represent expenses continuously incurred for maintaining the operational and listing status with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). This is composed of legal fees, stock transfer agent fees and withholding taxes.

4. CAPITAL STOCK

To address the Company's liquidity shortfalls and raise the needed fund for investment into Abacoal, the Company increased its authorized capital stock from Fifty Million Pesos (₱50,000,000.00) divided into Fifty Million (50,000,000) shares to One Hundred Million Pesos (₱100,000,000.00) divided into One Hundred Million (100,000,000) shares, both with a par value of One Peso (₱1.00) per share. The capital increase was approved by the Securities and Exchange Commission on 30 July 2009. To fund the capital increase, the Company entered into private placement transactions with several investors at the price of ₱1.20 per share. Full payment was made to the Company during the first quarter of 2010. Said shares were approved by the Philippine Stock Exchange for listing on July 14, 2010.

On November 6, 2009, the Company entered into another set of investment agreements with various investors wherein the investors agreed to subscribe by way of private placement to 10 million common shares of stock to be issued out of the unissued and unsubscribed portion of the authorized capital stock of the Company. The shares were subscribed at a price of ₱5.05 per share or for a total of ₱50.5 million, of which 25% or ₱12.6 million was paid at that time. The transaction was approved by the BOD on September 14, 2009. The balance of 75% of the gross investment amount was paid in March 2011. Listing application for such shares is currently pending with the PSE.

On Sept. 14, 2010, SEC approved the reduction in the par value of the shares of stock from One Peso (₱1.00) to Ten Centavos (₱0.10). The authorized capital stock of the Corporation shall be One Hundred Million Pesos (₱100,000,000.00) divided into One Billion (1,000,000,000) common shares with par value of Ten Centavos (₱0.10) per share. Also on

the same date, the SEC approved the Amended By-laws providing for the creation, powers and functions of the Nomination, Remuneration, Audit, Executive and Finance Committees of the Company.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱ 1.00) to Ten Centavos (₱ 0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share. Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱ 0.10) per share. On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase in the Company's authorized capital stock.

5. RISK MANAGEMENT

The Company is exposed to a variety of financial risks which resulted from its investing and operating activities. The Company's risk management is coordinated in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium-term cash flows by minimizing the exposure to financial markets.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The Company has no significant exposure to foreign currency risk since it has no financial assets and financial liabilities that are denominated in foreign currency. The most significant financial risk to which the Company is exposed to are described below and in the succeeding page.

5.1 Credit Risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk for its financial assets.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

	<u>March 31, 2018</u>	<u>Dec. 31, 2017</u>
Cash	₱ 236,200,664	₱ 236,181,874
Advances to a stockholder	<u>2,178,076</u>	<u>2,584,892</u>
	<u>₱ 238,378,740</u>	<u>₱ 238,766,766</u>

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash.

(a) Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of ₱0.5 million for every depositor per banking institution. The amount of cash on hand excluded from this insurance to PDIC amounted to ₱4,000 in both periods.

(b) Advances to a Stockholder

The credit risk for advances to a stockholder is considered negligible, since the counterparty is a related party. No impairment loss has been recorded in relation to advances to a stockholder as management had assessed that this is fully collectible.

5.2 Liquidity Risk

The Company manages its liquidity needs by obtaining additional advances from stockholders.

As at March 31, 2018 and December 31, 2017, the Company's financial liabilities amounting to ₱1,049,244 and ₱984,550, respectively.

6. FINANCIAL INSTRUMENTS

Carrying Amounts and Fair Values By Category

The carrying amounts and fair values of the categories of the Company's financial assets and financial liabilities presented in the statements of financial position are shown below.

	March 31, 2018		December 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱236,200,664	₱236,200,664	₱236,181,874	₱236,181,874
Advances to a stockholder	2,178,076	2,178,076	2,584,892	2,584,892
	₱238,378,740	₱238,378,740	₱238,766,766	₱238,766,766

Financial Liabilities

Other financial liabilities:

Accounts payable and accrued expenses (*)	₱1,049,244	₱1,049,244	₱ 984,550	₱ 984,550
	₱1,049,244	₱1,049,244	₱ 984,550	₱ 984,550

(*) Net of taxes

There were no outstanding financial assets and liabilities measured at fair value as of March 31, 2018 and December 31, 2017.

7. OTHERS

- a. These financial reports are prepared in compliance with the quarterly reportorial requirements of the SEC.
- b. There were no material transactions affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.
- c. There were no subsequent material events not reflected in this interim financial statement.
- d. There were no material contingencies and any other events or transactions that are material to the understanding of the interim report.



108092018003891



SECURITIES AND EXCHANGE COMMISSION

SECBuilding, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No. 0000054106

Company Name LODESTAR INVESTMENT HOLDINGS CORPORATION

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 108092018003891

Document Type 17-Q (FORM 11-Q:QUARTERLY REPORT/FS)

Document Code 17-Q

Period Covered June 30, 2018

No. of Days Late 0

Department CFD

Remarks

SEC Registration Number

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Company Name

L	O	D	E	S	T	A	R	I	N	V	E	S	T	M	E	N	T	H	O	L	D	I	N	G	S		
C	O	R	P	O	R	A	T	I	O	N																	

Principal Office (No./Street/Barangay/City/Town/Province)

7	F	P	e	a	k	s	u	n	B	u	i	l	d	i	n	g	1	5	0	5	P	r	i	n	c			
t	o	n	S	t	.	,	c	o	r	.	S	h	a	w	,	B	l	v	d	.	,							
B	r	g	y	W	a	c	k	-	W	a	c	k	,	G	r	e	e	n	h	i	l	l	s					
E	a	s	t	,	M	a	n	d	a	l	u	y	o	n	g	C	i	t	y									

Form Type

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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

www.lodestarholdings.com
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Company's Telephone Number/s

(632) 928-9246

Mobile Number

N/A

No. of Stockholders

60

Annual Meeting

2nd Wednesday of May

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Venus L. Gregorio

Email Address

Nitsbeng.gregoriolaw@my destiny.net
--

Telephone Number/s

(632) 920-9306

Mobile Number

--

Contact Person's Address

7F Peaksun Bldg., 1505 Princeton St. corner Shaw Blvd., Mandaluyong City
--

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the quarterly period ended: **June 30, 2018**
2. SEC Identification Number: **54106** 3. BIR Tax Identification No.: **200-751-430-000**
4. Exact name of issuer as specified in its charter:

LODESTAR INVESTMENT HOLDINGS CORPORATION

5. **Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization

7. **7th Floor Peaksun Bldg., 1505 Princeton St.,
Shaw Blvd., Mandaluyong City** 8. **1555**
Address of principal office Postal Code

9. **(632) 920-9306**
Issuer's telephone number, including area code

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA
Title of Each Class Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding
(Par value: ₱0.10)

Common Shares (issued)	3,000,000,000¹
Common Shares (authorized)	3,000,000,000

11. Are any or all of these securities listed on a Stock Exchange.

Yes [/] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange Common Shares : **640,000,000**

¹ Number of issued and outstanding shares based on the records of the Stock and Transfer Agent.

12. Check whether the issuer:

(a) 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 Corporation 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 []

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

Yes [/] No []

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See attached “Annex A”

The Company's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

This Financial Statements meeting the requirements of SRC Rule 68, is furnished as specified therein.

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) 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;
- c) There are no 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;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- f) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- h) No seasonal or cyclical factor that affected this quarter's interim operations.

Item 2. Management's Discussion and Analysis (MD&A) or Plan of Operations

Plan of Operation

Part III, Paragraph (A) of Annex "C" of the Securities Regulation Code under Rule 12 states that the information under subparagraph (2) thereof is required for companies that are operational and had revenues from its operations. In this light, the foregoing information only tackles Part III, Paragraph (A) (1) of Annex "C", insofar as applicable.

Business

On January 3, 1974, Lodestar Mining Corporation (now Lodestar Investment Holdings Corporation) ("LIHC" or the Company") was incorporated in the Philippines and established initially as a mining and natural resources exploration company. The Company was engaged in the development of several gold and chromite mining claims in Masbate, Cebu, Negros Occidental and Palawan.

In 1988, the Company filed an application for listing of its 30,000,000 common shares with the Philippine Stock Exchange ("PSE") formerly known as the Manila and Makati Stock Exchanges. On October 11, 1988, the SEC issued to the Company a Certificate of Permit to Offer Securities for Sale and rendered the Registration Statement to be effective. The Company was able to complete its initial public offering and the listing of the Company's shares was made effective on May 26, 1989.

In October 2003, the name and primary purpose of the Company were changed to reflect a change from a mining company to an investment holding company.

On July 7, 2005, the Board of Directors approved the write-off of the aforementioned mining properties or claims in its financial statement as of June 30, 2005. The mining properties were reviewed as to impairment in accordance with SFAS 36/IAS 36: Impairment of Assets.

The Board of Directors, during its special meeting held on October 28, 2008, approved the private placement offering of 12,694,000 LIHC shares at the price of ₱ 2.50 per share. On 12 December 2008, the stockholders of the Company likewise approved the capital increase of the Company from ₱50,000,000.00 divided into 50,000,000 shares at ₱1.00 per share to ₱100,000,000.00 divided into 100,000,000 shares at ₱1.00 per share. In line with this application for capital increase, the Board of Directors of the Company, during its special meeting held on 13 March 2009, approved the private placement offering of 14,000,000 shares at the price of ₱1.20 per share. Said private placement funded the increase in authorized capital stock.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱1.00) to Ten Centavos (₱0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On 11 December 2015, during the Annual Stockholders' Meeting of the Company, the shareholders confirmed, ratified and re-adopted the 2009 Stockholders' approval of the increase in the authorized capital stock of LIHC. Said resolution was passed during the 17 December 2009 Annual

Meeting wherein shareholders, holding at least 2/3 majority of the outstanding capital stock, voted in favor of the capital increase from one hundred million pesos (₱100,000,000.00) divided into one hundred million (100,000,000) shares at a par value of one Peso (₱1.00) per share to three hundred million Pesos (₱300,000,000.00) divided into three billion (3,000,000,000) shares at the reduced par value of Ten centavos (₱0.10) per share without stockholders' pre-emptive right.

On September 26, 2008, the Board of Directors authorized the Company to enter into a Heads of Agreement with Abacus Consolidated Resources and Holdings, Inc. ("ABACON") and Musx Corporation ("Musx") for the joint acquisition by the Company and Musx of all the outstanding and issued shares of Abacus Coal Exploration and Development Corporation ("ABACOAL") with a sharing arrangement of fifty five percent (55%) for Musx and forty five (45%) for the Company. The Company and Musx have likewise entered into an Agreement for Joint Investment whereby the investment parameters for such investment into ABACOAL were set forth.

On May 21, 2009, the Company executed an Amendment to the Agreement for Joint Investment with Musx Corporation. The amendment primarily consists in the assignment to the Company of Musx's fifty-five percent (55%) interest in ABACOAL subject to the terms and conditions provided in the said agreement. As a result, the Company acquired the right to purchase one hundred percent (100%) of the shares of stock of ABACOAL which necessitated a bigger capital expenditure on the part of the Company.

On May 31, 2009, the Company executed a Memorandum of Agreement with Oriental Vision Mining Corporation ("Oriental") to undertake exploration and development activities of the coal properties of ABACOAL. Under the agreement, Oriental shall develop and operate the Coal Property and pay the Company a royalty fee of Eight Percent (8%) of gross coal price per ton based on FOB loaded to vessel.

On July 21, 2015, the Company entered into Cancellation of the Heads of Agreement, Amended Heads of Agreement and Allied Contracts with Abacus Consolidated Resources Holdings, Inc. (ABACORE) and Abacus Coal Exploration and Development Corporation (ABACOAL). The cancellation was necessitated by the fact that the Merger with ABACOAL was not approved by LIHC shareholders for lack of quorum during the Annual Shareholder's Meeting called for the three (3) years prior.

The Company thus, no longer has any contractual interest over ABACOAL as a result of the cancellation of other Heads of Agreement and its allied contracts.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share. Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱0.10) per share.

On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17,

2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase of the Company's authorized capital stock.

Business Plan:

Still in line with the primary purpose of the Company as a holdings corporation, business outlook for 2017 is geared towards looking for other business ventures. Thus, the Company may again tap into various sources to look for opportunities in the various business sectors that are viable, growing and profitable. The Company's strategy will be to invest, buy-in or acquire businesses where the Company will at least own a significant stake or interest in the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

The Company with the approval of the SEC, implemented an increase in its Authorized Capital. This capital raising plan is intended to provide the Company investable funds and working capital for prospective projects. Specifics of such deals, if any, will be properly disclosed in accordance with the continuing disclosure requirements of the SEC and the PSE.

Likewise, the Company's cash requirements were satisfied from the proceeds/collection of Advances from stockholders and the proceeds of private placements with investors.

Management's Discussion and Analysis for the Interim Period Ended June 30, 2018 as compared with June 30, 2017:

Revenues

The Company did not earn any revenue during the six-month period ended June 30, 2018 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₱ 1.76 million or 78% from ₱ 2.24 million in June 2017 to ₱ 0.48 million in June 2018. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₱ 0.44 million for the interim period ended June 2018 which is 80% or ₱ 1.76 million lower as compared to net loss of ₱ 2.20 million incurred for the same period in 2017.

Financial Condition

The Company's Total Assets comprising of Current Assets amount to ₱ 241.53 million which is 0.45% or ₱ 1.10 million lower than that of June 30, 2017 balance amounting to ₱ 242.64 million.

The Company's Total Liabilities decreased by ₱ 0.17 million or 13.91% from ₱ 1.22 million in June 2017 to ₱ 1.05 million in June 2018.

Stockholders' equity posted a 0.39% or ₱ 0.93 million decrease from ₱ 241.42 million in June 2017 to ₱ 240.48 million in June 2018, attributable mainly to expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of June 30, 2018 as compared with pro-forma Balance Sheet as of June 30, 2017 (increase/decrease of 5 % or more)

405.39 % or ₦ 1.71 million increase in advances to a stockholder from ₦ 0.42 million in June 2017 to ₦2.13 million in June 2018. The significant increase is due to additional advances made in 2017.

51.48% or ₦ 3.43 million decrease in other current assets from ₦ 6.67 million in June 2017 to ₦3.23 million in June 2018 due to collection of other receivables.

13.91% or ₦ 0.17 million decrease in liabilities from ₦ 1.22 million in June 2017 to ₦1.05 million in June 2018 due to partial settlement of payables.

Key Performance Indicators

Considering the Company's non-operational status, the key performance indicators of the Company are as follows:	June 30, 2018	June 30, 2017
Current Ratio (1)	229.98x	198.88x
Quick Ratio (2)	224.87x	193.08x
Debt-equity ratio (3)	0.004x	0.005x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

(1) *Current Assets / Current Liabilities*

June 2018 (₦ 241,532,188/₦ 1,050,245)
 June 2017 (₦ 242,635,507/₦ 1,219,952)

(2) *Cash / Current Liabilities*

June 2018 (₦ 236,169,155/₦ 1,050,245)
 June 2017 (₦ 235,547,815/₦ 1,219,952)

(3) *Debt / Equity*

June 2018 (₦ 1,050,245/₦ 240,481,942)
 June 2017 (₦ 1,219,952/₦ 241,415,555)

(4) *Equity /Subscribed Shares*

June 2018 (₦ 240,481,942/3,000,000,000)
 June 2017 (₦ 241,415,555/3,000,000,000)

The Current Ratio is the general measure of a company's liquidity. It represents the ratio of all current assets to all current liabilities. It is sometimes called the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities.

The Quick Ratio is another measure of a company's liquidity. It is used to measure a company's ability to pay its liabilities using assets that are cash or very liquid. Since the Company does not have any marketable securities and accounts receivables, the computation of this ratio was based on cash alone. Quick ratio for the current period is higher as compared to the same period of last year.

The Debt to Equity Ratio is a measure of leverage, or the relative amount of funds provided by lenders and owners. This measures the amount of debt being used by the Company. The ratio for the current period is lower as compared with that of last year due to the payment of accrued expenses.

Book value Per Share is a measure of stockholders' equity. It represents the difference between total assets and total liabilities divided by the total number of shares outstanding.

Net Profit Margin Ratio related to the profits of a company to its sales, assets or equity. It indicates the rate of profit from sales and other revenues. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

Additional Financial Soundness Indicators

	June 30, 2018	June 30, 2017
Asset to equity ratio (1)	1.00x	1.02x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) Total Assets / Total Equity

June 2018 (P 241,532,188/P 240,481,942)
 June 2017 (P 242,635,507/P 241,415,555)

(2) Income before Interest and Taxes / Interest Expense

June 2018 N/A
 June 2017 N/A

(3) Gross Profit / Sales

June 2018 N/A
 June 2017 N/A

Asset to Equity ratio measures the financial leverage and long term solvency of the Company. It is derived by dividing the total asset from its total equity.

Interest Coverage Ratio determines how easily a company can pay interest on outstanding debt. The Company did not incur any interest on its advances.

Gross Profit Margin is derived by dividing gross profit by the sales. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

PART II – OTHER INFORMATION

There are no contingent liabilities or contingent assets or known trend and events that may materially affect the company's operation nor are there estimates of amounts reported in prior periods that may have a material effect on the attached financial statements.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code,
this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in
Mandaluyong City on August 08, 2018.

By:



CHI HO CO
President



DELFIN S. CASTRO, JR.
Treasurer

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION

" ANNEX A"

	Notes	Unaudited June 30, 2018	Audited Dec 31, 2017
ASSETS			
Current Assets			
Cash and cash equivalents		₽ 236,169,155	₽ 236,181,874
Due from related parties		2,128,076	2,584,892
Other current assets		3,234,957	3,204,060
		₽ 241,532,188	₽ 241,970,826
LIABILITIES & STOCKHOLDERS' EQUITY			
Liabilities			
Accounts payable and accrued expenses	3	₽ 1,050,245	₽ 1,048,218
Total Liabilities		1,050,245	1,048,218
Stockholder's Equity			
Capital Stock - P0.10 par value	4	300,000,000	300,000,000
Additional Paid-In Capital		66,714,858	66,714,858
Deficit		(126,232,916)	(125,792,250)
Total Stockholders' Equity		240,481,942	240,922,608
		₽ 241,532,188	₽ 241,970,826

LODESTAR INVESTMENT HOLDINGS CORPORATION
 STATEMENTS OF INCOME
 (Unaudited)

	April 1 to June 30, 2018 (Three Months)	January 1 to June 30, 2018 (Six Months)	April 1 to June 30, 2017 (Three Months)	January 1 to June 30, 2017 (Six Months)
REVENUES	₱	₱	₱	₱
EXPENSES	81,636	481,515	1,809,533	2,237,810
INCOME (LOSS) BEFORE OTHER LOSSES	(81,636)	(481,515)	(1,809,533)	(2,237,810)
INTEREST INCOME	114	40,849	31,895	33,874
NET INCOME (LOSS)	₱ (81,522)	₱ (440,666)	₱ (1,777,638)	₱ (2,203,936)
NUMBER OF COMMON SHARES	<u>3,000,000,000.00</u>	<u>3,000,000,000.00</u>	<u>3,000,000,000</u>	<u>3,000,000,000</u>
Loss Per Share	<u>(0.000)</u>	<u>(0.000)</u>	<u>(0.001)</u>	<u>(0.001)</u>

Note: No dividends declared during the period

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Unaudited June 30, 2018	Audited Dec. 31, 2017	Unaudited June 30, 2017	Audited Dec. 31, 2016
CAPITAL STOCK - P 0.10 par value				
Beginning Balance	P 300,000,000	P 100,000,000	P 100,000,000	P 74,000,000
Additional Subscription		P 200,000,000	P 200,000,000	P 26,000,000
Balance at end of period	P 300,000,000	P 300,000,000	P 300,000,000	P 100,000,000
ADDITIONAL PAID-IN CAPITAL				
Beginning Balance	P 66,714,858	P 66,714,858	P 66,714,858	P 66,714,858
Subscribed		-	-	-
Balance at end of period	P 66,714,858	P 66,714,858	P 66,714,858	P 66,714,858
DEPOSIT FOR FUTURE SUBSCRIPTION			50,000,000	50,000,000
DEFICIT				
Beginning Balance	P (125,792,250)	P (123,095,367)	P (123,095,367)	P (119,705,236)
Net Income (loss)	(440,666)	(2,696,883)	(2,203,936)	(3,390,131)
Balance at end of period	P (126,232,916)	P (125,792,250)	P (125,299,303)	P (123,095,367)
STOCKHOLDERS' EQUITY, END	P 240,481,942	P 240,922,608	P 291,415,555	P 93,619,491

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

	April 1 to June 30, 2018 (Three Months)	January 1 to June 30, 2018 (Six Months)	April 1 to June 30, 2017 (Three Months)	January 1 to June 30, 2017 (Six Months)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	₱ (81,523)	₱ (440,666)	₱ (1,777,639)	₱ (2,203,936)
Adjustment for:				
Interest Income	₱ (113)	₱ (40,848)	₱ (31,839)	₱ (33,875)
Net loss before working capital changes	₱ (81,636)	₱ (481,514)	₱ (1,809,478)	₱ (2,237,811)
Adjustment to reconcile net loss to net cash provided by operating activities				
Changes in operating assets and liabilities				
Decrease (increase) in :				
Other current assets	₱ (53)	₱ (30,896)	₱ (40,145)	₱ (71,581)
Increase (decrease) in :				
Accounts payable and accrued expenses	₱ 67	₱ 2,028	₱ (235,618)	₱ (365,280)
Net cash provided by operating activities	₱ (81,622)	₱ (510,382)	₱ (2,085,241)	₱ (2,674,672)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	₱ 113	₱ 40,848	₱ 31,839	₱ 33,875
Disposals (acquisitions) of property and equipment	₱ -	₱ -	₱ -	₱ -
Net cash used in investing activities	₱ 113	₱ 40,848	₱ 31,839	₱ 33,875
CASH FLOWS FROM FINANCING ACTIVITIES				
Collection from a stockholder	₱ 50,000	₱ 456,816	₱ 1,236,000	₱ 1,436,000
Receipts of payment of subscription to capital stocks	₱ 50,000	₱ 456,816	₱ 150,000,000	₱ 150,000,000
Net cash provided by (used in) financing activities	₱ 50,000	₱ 456,816	₱ 151,236,000	₱ 151,436,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
AND CASH EQUIVALENTS	₱ (31,509)	₱ (12,718)	₱ 149,182,598	₱ 148,795,203
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD				
	₱ 236,200,664	₱ 236,181,874	₱ 86,365,217	₱ 86,752,612
CASH AND CASH EQUIVALENTS AT END OF PERIOD				
	₱ 236,169,155	₱ 236,169,155	₱ 235,547,815	₱ 235,547,815

LODESTAR INVESTMENT HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with the Philippine Financial Reporting Standards. The company has followed the same accounting policies and methods of computation used with the most recent annual financial statement. No new accounting policy has been adopted for this interim report.

2. RELATED PARTY TRANSACTIONS

In 2012, the Company grants non-interest bearing advances to a stockholder for working capital purposes. The advances to the stockholder are unsecured and are due and demandable anytime. These advances are generally settled in cash.

As at June 30, 2018, based on management's assessment, the outstanding balance of the Company's advances to a stockholder amounting to ₱2,128,076 is not impaired, hence, no impairment loss is recognized.

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of accrued expenses which represent expenses continuously incurred for maintaining the operational and listing status with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). This is composed of legal fees, stock transfer agent fees and withholding taxes.

4. CAPITAL STOCK

To address the Company's liquidity shortfalls and raise the needed fund for investment into Abacoal, the Company increased its authorized capital stock from Fifty Million Pesos (₱50,000,000.00) divided into Fifty Million (50,000,000) shares to One Hundred Million Pesos (₱100,000,000.00) divided into One Hundred Million (100,000,000) shares, both with a par value of One Peso (₱1.00) per share. The capital increase was approved by the Securities and Exchange Commission on 30 July 2009. To fund the capital increase, the Company entered into private placement transactions with several investors at the price of ₱1.20 per share. Full payment was made to the Company during the first quarter of 2010. Said shares were approved by the Philippine Stock Exchange for listing on July 14, 2010.

On November 6, 2009, the Company entered into another set of investment agreements with various investors wherein the investors agreed to subscribe by way of private placement to 10 million common shares of stock to be issued out of the unissued and unsubscribed portion of the authorized capital stock of the Company. The shares were subscribed at a price of ₱5.05 per share or for a total of ₱50.5 million, of which 25% or ₱12.6 million was paid at that time. The transaction was approved by the BOD on September 14, 2009. The balance of 75% of the gross investment amount was paid in March 2011. Listing application for such shares is currently pending with the PSE.

On Sept. 14, 2010, SEC approved the reduction in the par value of the shares of stock from One Peso (₱1.00) to Ten Centavos (₱0.10). The authorized capital stock of the Corporation shall be One Hundred Million Pesos (₱100,000,000.00) divided into One Billion (1,000,000,000) common shares with par value of Ten Centavos (₱0.10) per share. Also on

the same date, the SEC approved the Amended By-laws providing for the creation, powers and functions of the Nomination, Remuneration, Audit, Executive and Finance Committees of the Company.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱ 1.00) to Ten Centavos (₱ 0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share. Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱ 0.10) per share. On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase in the Company's authorized capital stock.

5. RISK MANAGEMENT

The Company is exposed to a variety of financial risks which resulted from its investing and operating activities. The Company's risk management is coordinated in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium-term cash flows by minimizing the exposure to financial markets.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The Company has no significant exposure to foreign currency risk since it has no financial assets and financial liabilities that are denominated in foreign currency. The most significant financial risk to which the Company is exposed to are described below and in the succeeding page.

5.1 Credit Risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk for its financial assets.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

	<u>June 30, 2018</u>	<u>Dec. 31, 2017</u>
Cash	₱ 236,169,115	₱ 236,181,874
Advances to a stockholder	<u>2,128,076</u>	<u>2,584,892</u>
	<u>₱ 238,297,191</u>	<u>₱ 238,766,766</u>

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash.

(a) Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of ₱0.5 million for every depositor per banking institution. The amount of cash on hand excluded from this insurance to PDIC amounted to ₱4,000 in both periods.

(b) Advances to a Stockholder

The credit risk for advances to a stockholder is considered negligible, since the counterparty is a related party. No impairment loss has been recorded in relation to advances to a stockholder as management had assessed that this is fully collectible.

5.2 Liquidity Risk

The Company manages its liquidity needs by obtaining additional advances from stockholders.

As at June 30, 2018 and December 31, 2017, the Company's financial liabilities amounting to ₱1,049,245 and ₱1,048,218, respectively.

6. FINANCIAL INSTRUMENTS

Carrying Amounts and Fair Values By Category

The carrying amounts and fair values of the categories of the Company's financial assets and financial liabilities presented in the statements of financial position are shown below.

	June 30, 2018		December 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱236,169,155	₱236,169,155	₱236,181,874	₱236,181,874
Advances to a stockholder	2,128,076	2,128,0762	2,584,892	2,584,892
	₱238,297,231	₱238,297,231	₱238,766,766	₱238,766,766

Financial Liabilities

Other financial liabilities:

Accounts payable and accrued expenses (*)	₱1,049,244	₱1,049,244	₱ 984,550	₱ 984,550
	₱1,049,244	₱1,049,244	₱ 984,550	₱ 984,550

(*) Net of taxes

There were no outstanding financial assets and liabilities measured at fair value as of June 30, 2018 and December 31, 2017.

7. OTHERS

- a. These financial reports are prepared in compliance with the quarterly reportorial requirements of the SEC.
- b. There were no material transactions affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.
- c. There were no subsequent material events not reflected in this interim financial statement.
- d. There were no material contingencies and any other events or transactions that are material to the understanding of the interim report.



110292018000777



SECURITIES AND EXCHANGE COMMISSION

SECBuilding, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No. 0000054106

Company Name LODESTAR INVESTMENT HOLDINGS CORPORATION

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 110292018000777

Document Type 17-Q (FORM 11-Q:QUARTERLY REPORT/FS)

Document Code 17-Q

Period Covered September 30, 2018

No. of Days Late 0

Department CFD

Remarks

SEC Registration Number

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Company Name

L	O	D	E	S	T	A	R	I	N	V	E	S	T	M	E	N	T	H	O	L	D	I	N	G	S		
C	O	R	P	O	R	A	T	I	O	N																	

Principal Office (No./Street/Barangay/City/Town/Province)

7	F	P	e	a	k	s	u	n	B	u	i	l	d	i	n	g	1	5	0	5	P	r	i	n	c			
t	o	n	S	t	.	,	c	o	r	.	S	h	a	w	,	B	l	v	d	.	,							
B	r	g	y	W	a	c	k	-	W	a	c	k	,	G	r	e	e	n	h	i	l	l	s					
E	a	s	t	,	M	a	n	d	a	l	u	y	o	n	g	C	i	t	y									

Form Type

1	7	Q	3
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

www.lodestarholdings.com
--

Company's Telephone Number/s

(632) 928-9246

Mobile Number

N/A

No. of Stockholders

60

Annual Meeting

2nd Wednesday of May

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Venus L. Gregorio

Email Address

Nitsbeng.gregoriolaw@mydestiny.net

Telephone Number/s

(632) 920-9306

Mobile Number

--

Contact Person's Address

7F Peaksun Bldg., 1505 Princeton St. corner Shaw Blvd., Mandaluyong City
--

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the quarterly period ended: September 30, 2018
2. SEC Identification Number: 54106 3. BIR Tax Identification No.: 200-751-430-000
4. Exact name of issuer as specified in its charter:

LODESTAR INVESTMENT HOLDINGS CORPORATION

5. **Philippines**
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **7th Floor Peaksun Bldg., 1505 Princeton St.,
Shaw Blvd., Mandaluyong City**
Address of principal office **1555**
Postal Code
8. **(632) 920-9306**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
(Par value: ₱0.10)	
Common Shares (issued)	3,000,000,000¹
Common Shares (authorized)	3,000,000,000

11. Are any or all of these securities listed on a Stock Exchange.

Yes [/] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange Common Shares : 640,000,000

12. Check whether the issuer:

(a) 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

¹ Number of issued and outstanding shares based on the records of the Stock and Transfer Agent.

Corporation 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 []

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

Yes [/] No []

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See attached “Annex A”

The Company's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

This Financial Statements meeting the requirements of SRC Rule 68, is furnished as specified therein.

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) 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;
- c) There are no 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;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- f) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- g) No seasonal or cyclical factor that affected this quarter's interim operations.

Item 2. Management's Discussion and Analysis (MD&A) or Plan of Operations

Plan of Operation

Part III, Paragraph (A) of Annex “C” of the Securities Regulation Code under Rule 12 states that the information under subparagraph (2) thereof is required for companies that are operational and had revenues from its operations. In this light, the foregoing information only tackles Part III, Paragraph (A) (1) of Annex “C”, insofar as applicable.

Business

On January 3, 1974, Lodestar Mining Corporation (now Lodestar Investment Holdings Corporation) ("LIHC" or the Company") was incorporated in the Philippines and established initially as a mining and natural resources exploration company. The Company was engaged in the development of several gold and chromite mining claims in Masbate, Cebu, Negros Occidental and Palawan.

In 1988, the Company filed an application for listing of its 30,000,000 common shares with the Philippine Stock Exchange ("PSE") formerly known as the Manila and Makati Stock Exchanges. On October 11, 1988, the SEC issued to the Company a Certificate of Permit to Offer Securities for Sale and rendered the Registration Statement to be effective. The Company was able to complete its initial public offering and the listing of the Company's shares was made effective on May 26, 1989.

In October 2003, the name and primary purpose of the Company were changed to reflect a change from a mining company to an investment holding company.

On July 7, 2005, the Board of Directors approved the write-off of the aforementioned mining properties or claims in its financial statement as of June 30, 2005. The mining properties were reviewed as to impairment in accordance with SFAS 36/IAS 36: Impairment of Assets.

The Board of Directors, during its special meeting held on October 28, 2008, approved the private placement offering of 12,694,000 LIHC shares at the price of ₱ 2.50 per share. On 12 December 2008, the stockholders of the Company likewise approved the capital increase of the Company from ₱50,000,000.00 divided into 50,000,000 shares at ₱1.00 per share to ₱100,000,000.00 divided into 100,000,000 shares at ₱1.00 per share. In line with this application for capital increase, the Board of Directors of the Company, during its special meeting held on 13 March 2009, approved the private placement offering of 14,000,000 shares at the price of ₱1.20 per share. Said private placement funded the increase in authorized capital stock.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱1.00) to Ten Centavos (₱0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On 11 December 2015, during the Annual Stockholders' Meeting of the Company, the shareholders confirmed, ratified and re-adopted the 2009 Stockholders' approval of the increase in the authorized capital stock of LIHC. Said resolution was passed during the 17 December 2009 Annual Meeting wherein shareholders, holding at least 2/3 majority of the outstanding capital stock, voted in favor of the capital increase from one hundred million pesos (₱100,000,000.00) divided into one hundred million (100,000,000) shares at a par value of one Peso (₱1.00) per share to three hundred million Pesos (₱300,000,000.00) divided into three billion (3,000,000,000) shares at the reduced par value of Ten centavos (₱0.10) per share without stockholders' pre-emptive right.

On September 26, 2008, the Board of Directors authorized the Company to enter into a Heads of Agreement with Abacus Consolidated Resources and Holdings, Inc. ("ABACON") and Musx Corporation ("Musx") for the joint acquisition by the Company and Musx of all the outstanding and issued shares of Abacus Coal Exploration and Development Corporation ("ABACOAL") with a sharing arrangement of fifty five percent (55%) for Musix and forty five (45%) for the Company The Company

and Musx have likewise entered into an Agreement for Joint Investment whereby the investment parameters for such investment into ABACOAL were set forth.

On May 21, 2009, the Company executed an Amendment to the Agreement for Joint Investment with Musx Corporation. The amendment primarily consists in the assignment to the Company of Musx's fifty-five percent (55%) interest in ABACOAL subject to the terms and conditions provided in the said agreement. As a result, the Company acquired the right to purchase one hundred percent (100%) of the shares of stock of ABACOAL which necessitated a bigger capital expenditure on the part of the Company.

On May 31, 2009, the Company executed a Memorandum of Agreement with Oriental Vision Mining Corporation ("Oriental") to undertake exploration and development activities of the coal properties of ABACOAL. Under the agreement, Oriental shall develop and operate the Coal Property and pay the Company a royalty fee of Eight Percent (8%) of gross coal price per ton based on FOB loaded to vessel.

On July 21, 2015, the Company entered into Cancellation of the Heads of Agreement, Amended Heads of Agreement and Allied Contracts with Abacus Consolidated Resources Holdings, Inc. (ABACORE) and Abacus Coal Exploration and Development Corporation (ABACOAL). The cancellation was necessitated by the fact that the Merger with ABACOAL was not approved by LIHC shareholders for lack of quorum during the Annual Shareholder's Meeting called for the three (3) years prior.

The Company thus, no longer has any contractual interest over ABACOAL as a result of the cancellation of other Heads of Agreement and its allied contracts.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share. Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱0.10) per share.

On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase of the Company's authorized capital stock.

Business Plan:

Still in line with the primary purpose of the Company as a holdings corporation, business outlook for 2018 is geared towards looking for other business ventures. Thus, the Company may

again tap into various sources to look for opportunities in the various business sectors that are viable, growing and profitable. The Company's strategy will be to invest, buy-in or acquire businesses where the Company will at least own a significant stake or interest in the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

The Company with the approval of the SEC, implemented an increase in its Authorized Capital. This capital raising plan is intended to provide the Company investable funds and working capital for prospective projects. Specifics of such deals, if any, will be properly disclosed in accordance with the continuing disclosure requirements of the SEC and the PSE.

Likewise, the Company's cash requirements were satisfied from the proceeds/collection of Advances from stockholders and the proceeds of private placements with investors.

Management's Discussion and Analysis for the Interim Period Ended September 30, 2018 as compared with September 30, 2017:

Revenues

The Company did not earn any revenue during the nine-month period ended September 30, 2018 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₦ 1.97 million or 78% from ₦ 2.52 million in September 2017 to ₦ 0.55 million in September 2018. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 0.51 million for the interim period ended September 2018 which is 80% or ₦1.96 million lower as compared to net loss of ₦ 2.46 million incurred for the same period in 2017.

Financial Condition

The Company's Total Assets comprising of Current Assets amount to ₦ 241.46 million which is 0.29% or ₦ 0.71 million lower than that of September 30, 2017 balance amounting to ₦242.17 million.

The Company's Total Liabilities decreased by ₦ .033 million or 3.34% from ₦1.01 million in September 2017 to ₦ 1.05 million in September 2018.

Stockholders' equity posted a 0.31% or ₦ 0.74 million decrease from ₦241.16 million in September 2017 to ₦240.42 million in September 2018, attributable mainly to expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of September 30, 2018 as compared with pro-forma Balance Sheet as of September 30, 2017 (increase/decrease of 5 % or more)

100 % or ₦ 2.04 million increase in advances to a stockholder from ₦ nil in September 2017 to ₦2.04 million in September 2018. This is due to additional advances made in 2017.

51.47% or ₦ 3.43 million decrease in other current assets from ₦ 6.67 million in September 2017 to ₦3.24 million in September 2018 due to collection of other receivables.

3.34% or ₦ 0.034 million decrease in liabilities from ₦ 1.01 million in September 2017 to ₦1.05 million in September 2018 due to partial settlement of payables.

Key Performance Indicators

Considering the Company's non-operational status, the key performance indicators of the Company are as follows:	September 30, 2018	September 30, 2017
Current Ratio (1)	230.22x	198.88x
Quick Ratio (2)	225.20x	232.05x
Debt-equity ratio (3)	0.004x	0.004x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

(1) *Current Assets / Current Liabilities*

September 2018	(₱ 241,464,818/₱ 1,048,806)
September 2017	(₱ 242,172,436/₱ 1,014,876)

(2) *Cash / Current Liabilities*

September 2018	(₱ 236,187,215/₱ 1,048,806)
September 2017	(₱ 235,505,284/₱ 1,014,876)

(3) *Debt / Equity*

September 2018	(₱ 1,048,806/₱ 240,416,012)
September 2017	(₱ 1,014,876/₱ 241,157,560)

(4) *Equity /Subscribed Shares*

September 2018	(₱ 240,416,012/3,000,000,000)
September 2017	(₱ 241,157,560/3,000,000,000)

The Current Ratio is the general measure of a company's liquidity. It represents the ratio of all current assets to all current liabilities. It is sometimes called the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities.

The Quick Ratio is another measure of a company's liquidity. It is used to measure a company's ability to pay its liabilities using assets that are cash or very liquid. Since the Company does not have any marketable securities and accounts receivables, the computation of this ratio was based on cash alone. Quick ratio for the current period is higher as compared to the same period of last year.

The Debt to Equity Ratio is a measure of leverage, or the relative amount of funds provided by lenders and owners. This measures the amount of debt being used by the Company. The ratio for the current period is lower as compared with that of last year due to the payment of accrued expenses.

Book value Per Share is a measure of stockholders' equity. It represents the difference between total assets and total liabilities divided by the total number of shares outstanding.

Net Profit Margin Ratio related to the profits of a company to its sales, assets or equity. It indicates the rate of profit from sales and other revenues. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

Additional Financial Soundness Indicators

	September 30, 2018	September 30, 2017
Asset to equity ratio (1)	1.00x	1.00x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

<i>(1) Total Assets / Total Equity</i>		
September 2018	(P 241,464,818/P 240,416,012)	
September 2017	(P 242,172,436/0 P 241,157,560)	
<i>(2) Income before Interest and Taxes / Interest Expense</i>		
September 2018	N/A	
September 2017	N/A	
<i>(3) Gross Profit / Sales</i>		
September 2018	N/A	
September 2017	N/A	

Asset to Equity ratio measures the financial leverage and long term solvency of the Company. It is derived by dividing the total asset from its total equity.

Interest Coverage Ratio determines how easily a company can pay interest on outstanding debt. The Company did not incur any interest on its advances.

Gross Profit Margin is derived by dividing gross profit by the sales. The Company is still in a no-operation status. The reported revenues are purely interests earned from bank deposits.

PART II – OTHER INFORMATION

There are no contingent liabilities or contingent assets or known trend and events that may materially affect the company's operation nor are there estimates of amounts reported in prior periods that may have a material effect on the attached financial statements.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Mandaluyong City on October 29, 2018.

By:


CH HOCO
President


DELFIN S. CASTRO, JR.
Treasurer
Signed: October 29, 2018

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION

" ANNEX A"

	Notes	Unaudited September 30, 2018	Audited December 31, 2017
ASSETS			
Current Assets			
Cash and cash equivalents		₽ 236,187,215	₽ 236,181,874
Due from related parties		2,042,076	2,584,892
Other current assets		3,235,527	3,204,060
		₽ 241,464,818	₽ 241,970,826
LIABILITIES & STOCKHOLDERS' EQUITY			
Liabilities			
Accounts payable and accrued expenses	3	₽ 1,048,806	₽ 1,048,218
Total Liabilities		1,048,806	1,048,218
Stockholder's Equity			
Capital Stock - P0.10 par value	4	300,000,000	300,000,000
Additional Paid-In Capital		66,714,858	66,714,858
Deficit		(126,298,847)	(125,792,250)
Total Stockholders' Equity		240,416,011	240,922,608
		₽ 241,464,817	₽ 241,970,826

LODESTAR INVESTMENT HOLDINGS CORPORATION
 STATEMENTS OF INCOME
 (Unaudited)

	July 1 to September 30, 2018 (Three Months)	January 1 to September 30, 2018 (Nine Months)	July 1 to September 30, 2017 (Three Months)	January 1 to September 30, 2017 (Nine Months)
REVENUES	P	P	P	P
EXPENSES	66,034	547,549	277,199	2,515,010
INCOME (LOSS) BEFORE OTHER LOSSES	(66,034)	(547,549)	(277,199)	(2,515,010)
INTEREST INCOME	104	40,952	19,204	53,079
<u>NET INCOME (LOSS)</u>	<u>P</u>	<u>(65,930)</u>	<u>P</u>	<u>(506,597)</u>
NUMBER OF COMMON SHARES	<u>3,000,000,000.00</u>	<u>3,000,000,000.00</u>	<u>3,000,000,000</u>	<u>3,000,000,000</u>
Loss Per Share	<u>(0.000)</u>	<u>(0.000)</u>	<u>(0.000)</u>	<u>(0.001)</u>

Note: No dividends declared during the period

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Unaudited September 30, 2018		Audited Dec. 31, 2017		Unaudited September 30, 2017		Audited Dec. 31, 2016	
CAPITAL STOCK - P 0.10 par value								
Beginning Balance	P	300,000,000	P	100,000,000	P	100,000,000	P	74,000,000
Additional Subscription				200,000,000		200,000,000		26,000,000
Balance at end of period	P	300,000,000	P	300,000,000	P	300,000,000	P	100,000,000
ADDITIONAL PAID-IN CAPITAL								
Beginning Balance	P	66,714,858	P	66,714,858	P	66,714,858	P	66,714,858
Subscribed				-		-		-
Balance at end of period	P	66,714,858	P	66,714,858	P	66,714,858	P	66,714,858
DEPOSIT FOR FUTURE SUBSCRIPTION								50,000,000
DEFICIT								
Beginning Balance	P	(125,792,250)	P	(123,095,367)	P	(123,095,367)	P	(119,705,236)
Net Income (loss)		(506,597)		(2,696,883)		(2,461,931)		(3,390,131)
Balance at end of period	P	(126,298,847)	P	(125,792,250)	P	(125,557,298)	P	(123,095,367)
STOCKHOLDERS' EQUITY, END	P	240,416,011	P	240,922,608	P	241,157,560	P	93,619,491

LODESTAR INVESTMENT HOLDINGS CORPORATION
 STATEMENTS OF CASH FLOWS
 (Unaudited)

	July 1 to September 30, 2018 (Three Months)	January 1 to September 30, 2018 (Nine Months)	July 1 to September 30, 2017 (Three Months)	January 1 to September 30, 2017 (Nine Months)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	P (65,930)	P (506,597)	P (257,995)	P (2,461,931)
Adjustment for:				
Interest Income	(104)	(40,952)	(19,204)	(53,079)
Net loss before working capital changes	(66,034)	(547,549)	(277,199)	(2,515,010)
Adjustment to reconcile net loss to net cash provided by operating activities				
Changes in operating assets and liabilities				
Decrease (increase) in :				
Other current assets	(570)	(31,467)	420,540	1,784,960
Increase (decrease) in :				
Accounts payable and accrued expenses	(1,440)	588	(1,052,000)	(1,417,281)
Net cash provided by operating activities	<u>(68,044)</u>	<u>(578,428)</u>	<u>(908,659)</u>	<u>(2,147,331)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	104	40,952	19,204	53,079
Disposals (acquisitions) of property and equipment	-	-	-	-
Net cash used in investing activities	<u>104</u>	<u>40,952</u>	<u>19,204</u>	<u>53,079</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment (Collection) from a stockholder	86,000	542,817	846,924	846,924
Receipts of payment of subscription to capital stocks	-	-	-	150,000,000
Net cash provided by (used in) financing activities	<u>86,000</u>	<u>542,817</u>	<u>846,924</u>	<u>150,846,924</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,060	5,341	(42,531)	148,752,672
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>236,169,155</u>	<u>236,181,874</u>	<u>235,547,815</u>	<u>86,752,612</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>P 236,187,215</u>	<u>P 236,187,215</u>	<u>P 235,505,284</u>	<u>P 235,505,284</u>

LODESTAR INVESTMENT HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with the Philippine Financial Reporting Standards. The company has followed the same accounting policies and methods of computation used with the most recent annual financial statement. No new accounting policy has been adopted for this interim report.

2. RELATED PARTY TRANSACTIONS

In 2012, the Company grants non-interest bearing advances to a stockholder for working capital purposes. The advances to the stockholder are unsecured and are due and demandable anytime. These advances are generally settled in cash.

As at September 30, 2018, based on management's assessment, the outstanding balance of the Company's advances to a stockholder amounting to ₱2,042,076 is not impaired, hence, no impairment loss is recognized.

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of accrued expenses which represent expenses continuously incurred for maintaining the operational and listing status with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). This is composed of legal fees, stock transfer agent fees and withholding taxes.

4. CAPITAL STOCK

To address the Company's liquidity shortfalls and raise the needed fund for investment into Abacoal, the Company increased its authorized capital stock from Fifty Million Pesos (₱50,000,000.00) divided into Fifty Million (50,000,000) shares to One Hundred Million Pesos (₱100,000,000.00) divided into One Hundred Million (100,000,000) shares, both with a par value of One Peso (₱1.00) per share. The capital increase was approved by the Securities and Exchange Commission on 30 July 2009. To fund the capital increase, the Company entered into private placement transactions with several investors at the price of ₱1.20 per share. Full payment was made to the Company during the first quarter of 2010. Said shares were approved by the Philippine Stock Exchange for listing on July 14, 2010.

On November 6, 2009, the Company entered into another set of investment agreements with various investors wherein the investors agreed to subscribe by way of private placement to 10 million common shares of stock to be issued out of the unissued and unsubscribed portion of the authorized capital stock of the Company. The shares were subscribed at a price of ₱5.05 per share or for a total of ₱50.5 million, of which 25% or ₱12.6 million was paid at that time. The transaction was approved by the BOD on September 14, 2009. The balance of 75% of the gross investment amount was paid in March 2011. Listing application for such shares is currently pending with the PSE.

On Sept. 14, 2010, SEC approved the reduction in the par value of the shares of stock from One Peso (₱1.00) to Ten Centavos (₱0.10). The authorized capital stock of the Corporation shall be One Hundred Million Pesos (₱100,000,000.00) divided into One Billion (1,000,000,000) common shares with par value of Ten Centavos (₱0.10) per share. Also on

the same date, the SEC approved the Amended By-laws providing for the creation, powers and functions of the Nomination, Remuneration, Audit, Executive and Finance Committees of the Company.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱ 1.00) to Ten Centavos (₱ 0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share. Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱ 0.10) per share. On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase in the Company's authorized capital stock.

5. RISK MANAGEMENT

The Company is exposed to a variety of financial risks which resulted from its investing and operating activities. The Company's risk management is coordinated in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium-term cash flows by minimizing the exposure to financial markets.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The Company has no significant exposure to foreign currency risk since it has no financial assets and financial liabilities that are denominated in foreign currency. The most significant financial risk to which the Company is exposed to are described below and in the succeeding page.

5.1 Credit Risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk for its financial assets.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

	<u>Sept. 30, 2018</u>	<u>Dec. 31, 2017</u>
Cash	₱ 236,187,215	₱ 236,181,874
Advances to a stockholder	<u>2,042,076</u>	<u>2,584,892</u>
	<u>₱ 238,229,291</u>	<u>₱ 238,766,766</u>

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash.

(a) Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of ₱0.5 million for every depositor per banking institution. The amount of cash on hand excluded from this insurance to PDIC amounted to ₱4,000 in both periods.

(b) Advances to a Stockholder

The credit risk for advances to a stockholder is considered negligible, since the counterparty is a related party. No impairment loss has been recorded in relation to advances to a stockholder as management had assessed that this is fully collectible.

5.2 Liquidity Risk

The Company manages its liquidity needs by obtaining additional advances from stockholders.

As at September 30, 2018 and December 31, 2017, the Company's financial liabilities amounting to ₱1,048,806 and ₱1,048,218, respectively.

6. FINANCIAL INSTRUMENTS

Carrying Amounts and Fair Values By Category

The carrying amounts and fair values of the categories of the Company's financial assets and financial liabilities presented in the statements of financial position are shown below.

	September 30, 2018		December 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱236,187,215	₱236,187,215	₱236,181,874	₱236,181,874
Advances to a stockholder	2,042,076	2,042,076	2,584,892	2,584,892
	₱238,229,291	₱238,297,231	₱238,766,766	₱238,766,766
Financial Liabilities				
Other financial liabilities:				
Accounts payable and accrued expenses (*)	₱1,048,806	₱1,048,806	₱ 984,550	₱ 984,550
	₱1,048,806	₱1,048,806	₱ 984,550	₱ 984,550

(*) Net of taxes

There were no outstanding financial assets and liabilities measured at fair value as of September 30, 2018 and December 31, 2017.

7. OTHERS

- a. These financial reports are prepared in compliance with the quarterly reportorial requirements of the SEC.
- b. There were no material transactions affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.
- c. There were no subsequent material events not reflected in this interim financial statement.
- d. There were no material contingencies and any other events or transactions that are material to the understanding of the interim report.

ANNEX 'F'

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S

CERTIFICATION

I, Venus L. Gregorio, Filipino, of legal age, with office address at the 7th Flr., Peaksun Bldg, Princeton St., Wack wack, Mandaluyong, City, after having been sworn in accordance with law hereby depose and state that:

1. I am the Corporate Secretary of Lodestar Investment Holdings Corporation with office address at the 7th Flr., Peaksun Bldg, Princeton St., Wack wack, Mandaluyong, City.
2. As certified to by, and based on the curriculum vitae of directors, officers and nominees for directors submitted to the Company, none of them are connected with any government agencies or instrumentalities.

Done this 29th day of October 2018 at Quezon City.


VENUS L. GREGORIO
Affiant

OCT 29 2018

SUBSCRIBED AND SOWRN to before me this ____ day of October 2018, at Quezon City, affiant exhibiting to me her Passport No. _____ expiring on 12/10/2020.

Notary Public

Doc No. 17;
Page No. 10;
Book No. 14/
Series of 2018.


ATTY. FLORIMOND C. ROUS
Notary Public for Quezon City
Until December 31, 2018
PTR No. 5521227/1-3-18 / Q.C.
IBP LIFETIME NO. 00315
DOI L NO. 25769 / TIN 142-154-935
MNL E. 5 Comp-00001549; 1-22-2014
ADM Matter No. 162 / RTC-QC / 2018

REPUBLIC OF THE PHILIPPINES)
 QUEZON CITY)S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, FELIXES G. LATONERO, Filipino, of legal age, with address at , after having been sworn in accordance with law hereby depose and state that:

1. I am a nominee for independent director of Lodestar Investment Holdings Corporation and have been its independent director from 13 April 2011 to 8 December 2016 and from 18 December 2017 up to present.
2. I am affiliated with the following companies and organizations:

Company / Organization	Position / Relationship	Period of Service
Nontrad Advertising	President	2003 - present
FGL Modular Cabinet System Inc.	President	2003 - present
Geograce Resources International Inc.	Independent Director	2016 - present
Asiabest Group International Inc.	Independent Director	2015 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lodestar Investment Holdings Corporation as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director, officer, substantial shareholder of Lodestar Investment Holdings Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

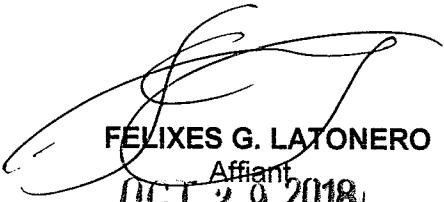
Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
	NONE	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

Offense Charged / Investigated	Tribunal Agency Involved	Status
	NONE	

6. I am not affiliated with any government agency or government owned and controlled corporations.
7. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Lodestar Investment Holdings Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this OCT 29 2018 day of OCT 29 2018 at Quezon City.


FELIXES G. LATONERO

Affiant

OCT 29 2018

SUBSCRIBED AND SOWRN to before me this day of , at Quezon City, affiant exhibiting to me his Driver's License No. expiring on 06/11/2022.

Doc No. 48
Page No. 10
Book No. VII
Series of 2018


ATTY. FLORIMOND C. ROUS
Notary Public for Quezon City
Until December 31, 2018
PTR No. 5521227/1-3-18 /
IBP LIFETIME NO. 00315
ROLL NO. 25769 / TIN 142-154-935
MCLE 5 Comp-00001549; 1-22-2014
Rutti Matter No. 162 / RTC-QQ/2018

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MANUEL G. ONG**, Filipino, of legal age, with office address at **11th Floor, 12th Avenue, Bonifacio Global City, Taguig City**, after having been sworn in accordance with law hereby depose and state that:

1. I am a nominee for independent director of Lodestar Investment Holdings Corporation and have been its independent director since 11 December 2015.

2. I am affiliated with the following companies or organizations:

Company / Organization	Position / Relationship	Period of Service
Industrial Welding Corporation	Vice President & Technical Director	1983 - present
Nihao Mineral Resources International Inc.	Independent Director	18 December 2009 - present
Asiabest Group International Inc.	Independent Director	10 December 2015 - present
Dizon Copper-Silver Mines, Inc.	Independent Director	21 March 2016 - present
Geograce Resources International Inc.	Independent Director	20 December 2013 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lodestar Investment Holdings Corporation as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director, officer, substantial shareholder of Lodestar Investment Holdings Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
	NONE	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

Offense Charged / Investigated	Tribunal Agency Involved	Status
	NONE	

6. I am not affiliated with any government agency or government owned and controlled corporations.

7. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Lodestar Investment Holdings Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this OCT 19 2018 day of 2018 at QUEZON CITY.


MANUEL G. ONG
Affiant

SUBSCRIBED AND SOWRN to before me this day of OCT 19 2018, 2017, at QUEZON CITY, affiant exhibiting to me his V, expiring on 26 March 2022.

Doc No. 06
Page No. 10
Book No. 41
Series of 2018


ATTY. FLORIMOND C. ROUS
Notary Public for Quezon City
Until December 31, 2018
PTR No. 5521227/1-3-18 / Q.C.
IBP LIFETIME NO. 00315
ROLL NO. 25769 / TIN 142-154-935
MCLE 5 Comp-00001549, 1-22-2014
Adm Matter No. 162 / RTC-QC/2018