LODESTAR INVESTMENT HOLDINGS CORPORATION

c/o 12 Jaime St., Carmel 1, Bahay Toro, Quezon City

6 June 2012

The Philippine Stock Exchange, Inc.
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City

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

Gentlemen:

In compliance with the Revised Disclosure Rules of the Philippine Stock Exchange, Inc., (the "Exchange"), Lodestar Investment Holdings Corporation (the "Company") hereby furnishes the Exchange with the copy of the Amended SEC Form 17A for 2011 filed with the Securities and Exchange Commission.

Thank you very much.

We remain,

Very truly yours,

Atty. Venus L. Gregorio
Corporate Information Officer
and Asst. Corporate Secretary

LODESTAR INVESTMENT HOLDINGS CORPORATION

c/o 12 Jaime St., Carmel 1, Bahay Toro, Quezon City

5 June 2012

Corporation Finance Department
Securities and Exchange Commission
SEC Building, EDSA Greenhills
Mandaluyong City

Attention: **JUSTINA F. CALLANGAN**
Acting Director

Re: **SEC Form 17A 2011**

Gentlemen:

We have received on 18 May 2012 a letter dated 16 May 2012.

We wish to inform the Commission that the Audit Committee of Lodestar Investment Holdings Corporation ("LIHC") in their meeting held on 4 June 2012 discussed the findings of the Corporation Finance Department and passed the necessary corrective measures/information. We have incorporated the required disclosures except for the required map of conglomerate or group of companies showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates. LIHC is a single entity, no parent company, affiliates and subsidiaries.

Enclosed is the amended annual report of LIHC for the year 2011.

Thank you very much.

Very truly yours,

JERRY ANGPING
Chairman and President

COVER SHEET

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LODESTAR INVESTMENT HOLDINGS
CORPORATION

(Company's Full Name)

C/O 12 JAIME STREET CARMEL 1
BAHAY TORO QUEZON CITY

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

ANTONIO V. F. GREGORIO III

Contact Person

(632) 928-9246

Company Telephone Number

1 2	3 1	SEC 17A-2011 AMENDED		
Month	*Day*	FORM TYPE	*Month*	*Day*
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stocholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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, 2011**

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. **c/o 12 Jaime St., Carmel 1, Bahay Toro, Quezon City,** **1600**
Address of principal office Postal Code

8. **(632) 920-9306**
Issuer's telephone number, including area code

9. **NA**
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	**740,000,000**

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 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 04 April 2012 of the voting stock held by non-affiliates of the registrant is ₱ 694,526,400.

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 with the Securities and Exchange Commission ("SEC") an application for the increase of its capital stock to ₱50,000,000.00 divided into 50,000,000 shares with par value of ₱1.00 per share from ₱10,000,000.00 divided into 1,000,000,000 shares with par value of ₱0.01 per share. The Company also filed with the then Manila and Makati Stock Exchanges, now referred to as the Philippine Stock Exchange ("PSE") an application for the listing of the 30,000,000 common shares. 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, among others. On September 23, 2003, the Board of Directors filed with the SEC the proposed amendments to the Company's Articles of Incorporation and By-laws. As an investment holding company, the Company will have flexibility in pursuing new business ventures that would enhance shareholder value over time.

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 Company, as an investment holding company, continues to evaluate various business opportunities that are viable, growing, and profitable business ventures. 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"). The Company and Musx have likewise entered into an Agreement for Joint Investment whereby the investment parameters for such investment into ABACOAL are set forth.

Under the Heads of Agreement and the Agreement for Joint Investment, upon completion of the transactions contemplated thereunder, Musx will own fifty five percent (55%) of the issued and outstanding capital stock of ABACOAL, while the Company will own forty five (45%) of the issued and outstanding capital stock of ABACOAL. The consideration for the sale of the issued and outstanding shares of stock of ABACOAL shall be in the form of cash and shares of stock. The cash component due from the Company amounting to Thirty Three Million Seven Hundred Fifty Thousand Pesos (₱33,750,000.00) shall be effected in staggered payments.

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 P1.00 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 shall fund the increase in authorized capital stock. The increase in capital and private placement will be undertaken in preparation for the stock rights offering to existing stockholders to take place immediately after the increase in capital is approved by the SEC.

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 over which the Company has controlling stake. Oriental has built a good reputation as a premiere mining operations company. 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 payable within 45 days from receipt of payment by Oriental Vision. Oriental likewise paid the company Twenty Five Million Pesos (₱25,000,000.00) upon signing of the MOA, as and by way of reimbursement of expenses incurred by the Company in the development of the ABACOAL project.

On September 14, 2010, the Securities and Exchange Commission approved the reduction in the par value of the shares of stock of the Company from One Peso (₱ 1.00) to Ten Centavos (₱0.10), thereby, adjusting the authorized capital stock to one billion (1,000,000,000) common shares of which seven hundred forty million (740,000,000) shares have been subscribed.

On December 22, 2010, the stockholders during its annual meeting 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 (P0.01) per share resulting in a stock split of ten (10) shares for every one (1) share owned. This plan to reduce the par value of the Company's shares of stock is not yet implemented.

On April 12, 2011, the Department of Energy has issued its approval on the company's proposed 5-year work program relative to the application for conversion of Coal Operating Contract no. 148 located in Tago, Surigao del Sur from Exploration Phase to Development and Production Phase.

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 a contracted interest in ABACOAL. Thus, the Company has a contingent and prospective ownership interest in one hundred percent (100 %) of the shares of stock of ABACOAL, a coal development company with a Coal Operating Contract over a 7,000 hectare property in Surigao del Sur.

The Company has no real properties.

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 June 4, 2012 is pegged at ₱ 1.02

The high and low sales prices of each quarter covering the year 2011 and 2010 are as follows:

	High	Low
2012		
First Quarter	₱ 1.21	₱ 1.17
2011		
First Quarter	₱ 0.93	₱ 0.66
Second Quarter	0.95	0.69
Third Quarter	1.35	0.75
Fourth Quarter	0.88	0.61
2010		
First Quarter	₱ 0.70	0.67
Second Quarter	0.76	0.74
Third Quarter	0.62	0.59
Fourth Quarter	0.81	0.71

Source: Technistock

The number of shareholders as of 31 December 2011 is 54[1]. Common shares outstanding as at 31 December 2011 are 740,000,000 shares per the records of RGFS Registry and Agency Services, Inc.
The following table presents the Company's top 20 shareholders as at 31 March 2012:

[1] Per the records of RGFS Registry and Agency Services, Inc.

Name of Shareholder	Class of Security	Number of Shares	Percentage to Total
PCD Nominee Corporation-Filipino	Common	590,007,430	79.73%
Renato L. Reyes	Common	72,000,000	9.73%
PCD Nominee Corporation- Non-Filipino	Common	42,501,000	5.74%
Ramon L. Abad, Jr.	Common	28,000,000	3.78%
Jones R. Castro	Common	1,700,000	0.23%
Renato Lumague	Common	600,000	0.08%
William T. Enrile &/or William R. Enrile II &/or Nelly R. Enrile	Common	500,000	0.07%
Joel S. Diaz	Common	500,000	0.07%
Joaquin Corpus	Common	500,000	0.07%
Ross W. Garling	Common	400,000	0.05%
John T. Mesina	Common	300,000	0.04%
Jovenal Gonzalez	Common	300,000	0.04%
Jose De Peralta	Common	300,000	0.04%
Cesar Hablero	Common	160,000	0.02%
William Stone	Common	100,010	0.01%
Merlin Villanueva	Common	100,000	0.01%
Oscar Tomaneng	Common	100,000	0.01%
Sun Hung Kai Sec. (Phils.) Inc	Common	100,000	0.01%
Tomas Pusing	Common	100,000	0.01%
Malcolm Morrison	Common	100,000	0.01%

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

The Company has not yet gone into full scale operations and, therefore, has not realized revenues. On April 12, 2011, the Department of Energy has issued its approval on the company's proposed 5-year work program relative to the application for conversion of Coal Operating Contract no. 148 located in Tago, Surigao del Sur from Exploration Phase to Development and Production Phase. The Company expects to complete development and commence production and operations of the ABACOAL project within the last quarter of Calendar Year 2012. To do so, the Company has undertaken several activities described below to prepare itself and pave the way for full project implementation.

The Board of Directors has initiated a series of capital raising activities to finance working capital requirements and general corporate purposes, and create or acquire projects or investments and initiatives for expansion. Contracted business interests in a Coal Property in Surigao del Sur, through the acquisition of ABACOAL, will be the first venture of the Company.

Thus, as disclosed and approved by the Stockholders during the 12 December 2008 Special Stockholders' Meeting, on September 24, 2008, the Company entered into a heads of Agreement with Musx Corporation and Abacus Consolidated and Holdings Corporation (ABACON) for the joint acquisition by the Company and Musx of all issued and outstanding shares of stock of ABACOAL., a subsidiary of ABACON. The Company and Musx have likewise entered into an Agreement for Joint Investment whereby the investment parameters for such investment in ABACOAL were set forth. Under the second agreement, MUSX will own 55% of the issued and outstanding capital stock of ABACOAL while the Company will own 45% of ABACOAL.

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 par value of One Peso (₱1.00) per share. The Company issued shares of stock to the Investors via private placements, which raised for the Company the total amount of Sixty Seven Million Three Hundred Thousand Pesos (P67,300,000.00) to finance business operations.

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. 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 Philippines Corp. (Oriental) to undertake exploration and development activities of the coal properties of ABACOAL over which the Company has contracted ownership interest. Oriental has built a good reputation as a premiere mining operations company. 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 payable within 45 days from receipt of payment by Oriental. Oriental likewise paid the Company Twenty Five Million Pesos (₱25,000,000.00) upon signing of the MOA, as and by way of reimbursement of expenses incurred by the Company in the development of the ABACOAL Project.

The Board likewise discussed the implementation of the Stock Rights Offering in the next capital increase. The preemptive SRO shall be implemented on a 1:1 proportion i.e., one (1) share held by qualified stockholders entitles said stockholders to subscribe to one (1) share under the SRO. The SRO price shall be the par value of the shares at the time of offering under the SRO. The proceeds from the SRO is expected to generate for the Company additional funds to finance working capital requirements and new investment.

On November 3, 2010, the Board approved the revised Heads of Agreement with Abacus Consolidated Resources and Holdings, Inc. (ABACON). The Company shall acquire the Coal Property and all the other assets and liabilities of ABACOAL and through a merger with the Company as the surviving corporation. By virtue of said merger, the Company shall issue two hundred fifty million (250,000,000) new common shares at a par value of Ten Centavos (₱0.10) and an agreed issue value of Ninety Centavos (₱0.90) to ABACON. The Company undertakes to list the said 250,000,0000 new common shares with the PSE at the soonest possible time. These terms and conditions shall be incorporated in a Merger Agreement and Plan of Merger which the parties hereby agree to execute at the proper time.

As an indispensable component of this agreement, the Company shall make staggered cash payments to ABACON which shall be deemed as constituting a participation in operating revenues from the coal property in the total amount of Seventy Five Million Pesos (₱ 75,000,000.00), in accordance with the following schedules:

Date or Period of Payment	Amount
September 23, 2008, June 1, 2009 and June 8, 2009 - Advance deposit on Abacon's Participation	Thirty Million Pesos (₱ 30,000,000.00)

Amounts to be paid upon and to be taken from the sale of the first production of Coal Products from the Coal property

Upon consummation of said first sale of Coal Products	Twenty Million Pesos (₱ 20,000,000.00)
Thirty (30) days from consummation of said 1st Sale of Coal Products	Twenty Five Million Pesos (₱ 25,000,000.00)

The Issuer shall be entitled to a period of grace of ten (10) days from the dates the payments fall due.

Business Plan:

The Company's proposed business plan and corporate strategy to re-engineer the Company as approved by its Board of Directors and stockholders is as follows:

a. Foremost among the business plans of the Company for 2012 is to actively pursue and close the ABACOAL deal. The terms of the contractual obligations of the Company are set forth in the agreements previously disclosed to the public via the PSE website. The Department of Energy has approved the company's 5-Year Work Program relative to the Coal Operating Contract No. 148 located in Tago, Surigao del Sur from Exploration Phase to Development and Production Phase. The Company expects to complete development and commence production and operations of the ABACOAL project within the last quarter of Calendar Year 2012. Proceeds from the operation of the Coal Project are expected to provide the Company a steady income stream.

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

c. 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.

d. 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 Performance
In Thousand Pesos

Key Financial Indicator			
	Year 2011	Year 2010	Year 2009
Revenues	25,060	32,752	30,645
Cost and Expenses	4,242,497	10,883,500	12,485,794
Net Income (Loss)	(4,217,437)	(10,850,748)	(12,455,149)
Current Assets	61,893,653	65,544,510	87,204,993
Current Liabilities	2,890,674	16,112,087	27,229,822
Total Assets	61,931,265	65,544,510	87,204,993
Total Liabilities	2,890,674	16,112,087	27,229,822
Stockholders' Equity	59,040,591	49,432,423	59,975,171
Current Ratio	21.41	4.07	3.20
Current Assets / Current Liabilities	61,9893,653 / 2,890,674	65,544,510 / 16,112,087	87,204,993 /27,229,822
Debt to Equity Ratio	0.05	0.33	0.45
Total Liabilities/Stockholders' Equity	2,890,674 /59,040,591	16,112,087 /49,432,423	27,229,822 /59,975,171
Return on assets	NA	NA	NA
Net Income / Total Assets			
Earnings (Loss) Per Share	(0.006)	(0.015)	(0.017)
Net Income (Loss) /Weighted ave. no. of shares	(4,217,437)/ 740 M	(10,850,748)/ 740 M	(12,455,149))/ 740 M

Full Fiscal Years

<u>Calendar Year 2011</u>

Interest income earned on bank accounts for the year ended December 31, 2011 totaled ₱25,060, 23.48% lower than the interest recorded for the year 2010 of ₱ 32,752.

Total operating expenses for 2011 amounted to about ₱4.237 million, 61.04% or ₱ 6.639 million lower when compared to 2010. The decrease was attributed to lower management fees, legal and professional fees due to management’s decision to trim down hiring of professionals in various fields beginning 2011.

Cash and cash equivalents amounted to ₱1.589 million in 2011 or an increase of ₱1.315 million when compared to 2010. The increase was due to collection of subscriptions receivable totaling ₱37.875 million and the fund was used to (a) exploration and development activities of the coal properties of Abacoal; (b) partial settlement of accounts payable and accrued expenses; (c) full payment of advances from stockholders and (d) acquisition of traded shares from open market of the PSE.

During the year, the Company has acquired a total of ₽ 7.733 million worth of traded shares from the open market of the PSE. However, the decrease in market price of the traded shares resulted to lower value by ₽ 24.049 million. This likewise resulted to a negative revaluation reserve in the equity account of ₽ 9.279 million in 2011 from positive ₽ 14.771 million in 2010.

Other current assets increased by ₱1.35 million due mainly to additional input value-added tax on management fees, legal fees, professional fees and PSE annual maintenance fees incurred in 2011.

The acquisition of one unit laptop in 2011 accounts for the increase in non-current asset.

Total liabilities of ₱ 2.891 million in 2011 is 82.06% or ₱ 13.221 million lower when compared to 2010 due to settlement of payables as discussed with cash and cash equivalents above and the use of fund from deposit made by Oriental Vision Mining Philippines Corporation (ORVI) for the exploration and development activities of the coal properties of Abacoal.

Collection of subscription receivable brought about by various capital raising activities to finance working capital requirements and general corporate purposes resulted to an increase in capital stock and additional paid-in capital by ₱ 37.875 million.

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 2010

The Company did not earn any operational revenue since it did not have any commercial operations as of that year. Interest earned from bank accounts were reported as other income. For 2010, the Company earned ₱32,752 interest as compared to ₱30,645 in 2009.

Operating Expenses decreased primarily from ₱12.480 million in 2009 to ₱ 10.877 million in 2010 due to non recurrence of losses on sale of available-for-sale financial assets. This was offset by higher management and legal fees. This increase is due to the BOD's decision to hire employees and professionals in various fields.

The Company incurred a net loss after tax of ₱ 10.850 million primarily due to lower operating expenses incurred in 2010.

Total Assets amounted to ₱65.544 million and were all composed of current assets. Because of the decrease in market price of traded shares in the PSE, available –for-sale financial assets and revaluation reserve account in the equity section of the Balance Sheet decreased by ₱ 12.292 million

Corporate liabilities decreased by ₱11.118million or 40.83% from ₱ 27.230 million in 2009 to ₱ 16.112 million in 2010 due to (a) partial settlement of accounts payable and accrued expenses; (b) partial payment of advances from stockholders and (c) use of fund from deposit made by Oriental Vision Mining Philippines Corporation (ORVI) for the exploration and development activities of the coal properties of Abacoal.

Collection of subscription receivable brought about by various capital raising activities to finance working capital requirements and general corporate purposes resulted to an increase in capital stock and additional paid-in capital by ₱ 12.600 million.

Calendar Year 2009

The Company did not earn any operational revenue since it did not have any commercial operations as of that year. Interest earned from bank accounts were reported as other income. For 2009, the Company earned ₱30,645 interest as compared to only ₱2,279 in 2008.

Operating Expenses increased primarily from ₱3.3206 million in 2008 to ₱ 12.480 million in 2009 due to higher losses on sale of available-for-sale financial assets. This was due primarily to the worldwide downturn in the financial markets that naturally affected local markets. Also, to keep the company on-going and within its current state, the BOD decided to hire employees and professionals in various fields. This likewise resulted to higher management fee, salaries and legal fees as compared to 2008 operating expenses

The Company incurred a net loss after tax of ₱ 12.455 million primarily due to higher operating expenses incurred in 2009.
Total Assets amounted to ₱87.205 million and were all composed of current assets. Because of infusion of capital through private placement investments into the Corporation, the Assets of the Corporation increased heavily.

Corporate liabilities increased by 27X from ₱1.009million in 2008 to ₱27.230 million in 2009. This is composed of advances from stockholders to fund deposit made to Abacus Consolidated Resources Holdings, Inc. for 100% stake of Abacus Coal Exploration Development Corporation (Abacoal) and the deposit made by Oriental Vision Mining Philippines Corporation (ORVI) for the exploration and development activities of the coal properties of Abacoal.

As a result of private placement transactions, capital stock increased to ₱56.000 million divided into 56,000,000 common shares with ₱1 par value per share. The private placement transactions were done with a premium over the par value of the shares of stock of the Corporation resulting in additional paid-in capital. The additional paid-in capital boosted the equity accounts of the Corporation such that the Corporation is now capital positive addressing the previous concerns of capital deficiencies in prior years.

Item 7. Financial Statements

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

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company retained the External Auditors who prepared the financial statements for the calendar year ended 31 December 2009 and 2010. Thus, the financial statements and notes thereto for the calendar year ended 31 December 2011 were likewise prepared by Punongbayan & Araullo (P&A). There were no disagreements with Accountants on accounting and financial disclosure.

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 13 January 2012:

Name	Age	Nationality	Present Position	Date Elected and / or Appointed
Jerry Angping	57	Filipino	Director, Chairman and President	February 21, 2011
Richard N. Palou	64	Filipino	Director	October 27, 2008
Chi Ho Co	39	Filipino	Director and Treasurer	September 22, 2008
Antonio V. F. Gregorio III	39	Filipino	Director, Corporate Secretary and Asst. Corporate Information Officer	May 15, 2009
Daniel C. Go	40	Filipino	Independent Director	February 21, 2011
Leonardo S. Gayao	65	Filipino	Director	December 22, 2010
Felixes Latonero	37	Filipino	Independent Director	April 13, 2011
Venus L. Gregorio	42	Filipino	Asst. Corporate Secretary and Corporate Information Officer	May 15, 2009

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:

JERRY C. ANGPING, 57 years old, Filipino, Director, Chairman and President.
Mr. Angping holds a Masters of Business Administration from the Harvard Business School and a degree in Broadcast Communication (Cum Laude) from the University of the Philippines. He is currently a Director of NiHAO Mineral Resources International, Inc. and Geograce Resources Philippines, Inc. where he formerly served in both companies as President. He has served on the boards of numerous listed corporations, including Lepanto Consolidated Mining Company from 2004 to 2005 and the Philippine Stock Exchange; Vice-Chairman of STI Education Inc.; and Chairman of Peaksun Enterprises & Export Corp. From 1989 to 2007, he served as the Chairman and President of Angping & Associates Securities, Inc. He also held the position of Director/Vice-Chairman in First Metro Investment Corporation from 2002 to 2008. He is formerly the President of the Harvard Business School Association of the Philippines and the Harvard Club of the Philippines and is a member of the Makati Business Club.

RICHARD WILLIAM N. PALOU, 64, Filipino, Director.
Mr. Richard N. Palou is a MBA candidate and a graduate of Business Management at the Ateneo de Manila University. He is currently a Director, President, Chairman, and / or officer of various publicly listed and private companies including Asiabest Group International Inc (2008 to present), ATN Holdings Inc. (2007 to present), Denaga Pawnshop, Inc. (Director, 2007 to present), Vantage

Security and Investigation Agency, Inc. (Director, 2007 to present), First Philippine Wind Corporation Director, 2007 to present) among others. He also currently serves as Director for University Athletics of the Ateneo de Manila University. Mr. Palou has over 20 years of experience in the banking industry having worked with Far East Bank & Trust Co from 1978 to 1998. He thereafter became the Finance Director of the Philippine Basketball Association from 1999 to 2004

CHI HO CO, 39, Filipino, Director and Treasurer.
Mr. Chi Ho Co is a businessman who currently serves as Director and Officer of various publicly listed and private companies including Asiabest Group International Inc. (2011 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.

ANTONIO VICTORIANO F. GREGORIO III, 39, Filipino, Director, Corporate Secretary, Assistant Corporate Information Officer.
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 is a Partner at Gregorio Law Offices and sits as director and officer of various public and private companies, including Asiabest Group International Inc. (Chairman and President from 2011 to present and Corporate Secretary/ Director from 2008 to 2011), NiHAO Mineral Resources International, Inc., (President from 2011 to present) Dizon Copper-Silver Mines (Treasurer/Director from 2012 to present), Abacus Consolidated Resources and Holdings, Inc.,(Director, 2009 to present), GNA Resources International Limited (2011 to present), Cuervo Far East, Inc.(Corporate Secretary/Director, 2005 to present), Alta Minera, Inc., Breccia Resources, Inc., and Millionaire's Offices and Properties, Inc. (Chairman, 2011 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), Tanba Yakiniku, Inc. (Treasurer/Director, 2011 to present) , 4A9T Scholarship foundation, Inc. (Corporate Secretary/Trustee from 1999 to present) and World Wide Manpower Overseas, Inc. (President/Director, 2007 to present). He was formerly the Corporate Secretary/Director of the following companies, Active Earnings, Inc. (2003 to 2011), Buddybuds, Inc. (2003 to 2011), Cangoc, Inc. (2002 to 2011), Carellan, Inc. (2003 to 2011), Cuisine Allurements, Inc. (2002 to 2011), Grand Pin Development Corporation (2004 to 2011), Hobbiton, Inc. (2003 to 2011), Pinecrest Realty Corporation (2003 to 2011); Treasurer/ Director of Carom, Inc. (2003 to 2011), Los Boldos, Inc. (2003 to 2011) and Onion and Chives, Inc. (2003 to 2011), Corporate Secretary of JMARR Realty, Inc. (2002 to 2011), PPARR Management and Holdings Corporation (2004 to 2010) , Cuervo Appraisers, Inc. (2007 to 2009) and RF Cuervo, Inc. (2003 to 2008); Asst. Corporate Secretary/Treasurer/Director of Weathertop, Inc. from 2004 to 2011 and former Director of Musx Corporation from 2007to 2010 and Outsource Leverage Systems International, Inc. (Corporate Secretary/Director, 2004 to 2009).

DANIEL C. GO, 40, Filipino, Independent Director.
Mr. Go also sits as Independent Director of Asiabest Group International Inc. (2010 to present) and the Chairman of Absolute Traders Consultancy Services Inc. (2009 to present). He was formerly the Chief Financial Officer of Agrinurture, Incorporated (2008 to 2009) another publicly listed company;

CEO of Absolute Traders Consultancy Services, Inc. (2003 to 2008); General Manager/Head Trader of La Pena Investment (2001 to 2003) and Market Technician/Certified Securities Representative of Angping and Associate Securities, Inc. (1999 to 2001) .

LEONARDO S. GAYAO, 65, Filipino, Director.
Atty. Gayao is currently the Director/President of Philippine Regional Investment Development Corporation (1995 to present), President/Director of Abacus Consolidated Resources & Holdings, Inc. (2009 to present) and Director of Pacific Online Systems Corporation (2007 to present),President/Director of Blue Stock Development Farms, Inc. (2009 to present), Chairman of Omnincor Industrial Estate & Realty Center, Inc. (2009 to present), Director of Rural Bank of Batangas, Inc.(1997 to present), Director of Abacus Global Technovisions, Inc.(1993 to present), Director/Corporate Secretary Click Communications, Inc.(1997 to present) , Chairman of Batangan Plaza, Inc.(1996 to present) , and Director of Alpha Asia Hotels and Resorts, Inc.(1991 to present). He is formerly the President of Abacus Consolidated Resources & Holdings, Inc. and Blue Stock Development Farms, Inc. He was former president of Omnicor Industrial Estate & Realty Center, Inc. He finished his Bachelor of Laws degree from San Beda College and his Bachelor of Arts degree from Manuel L. Quezon University. He is a member of Philippine Bar and the Integrated Bar of the Philippines.

FELIXES G. LATONERO, 37, Filipino, Independent Director. Mr. Latonero is currently the President of Nontrad Advertising and FGL Modular Cabinet System, Inc. He was an Art Director at Eat Bulaga (TAPE) from 2000-2003, and Art Director of ABS-CBN Corporation from 1995-1998.

VENUS L. GREGORIO, 43, Filipino, Corporate Information Officer and Asst. 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 is a Partner at Gregorio Law Offices and sits as Corporate Secretary and Corporate Information Officer of Asiabest Group International Inc. (2011 to present) and 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 a Director of Active Earnings Inc. (2003 to 2011), Carellan, Inc. (2003 to 2011), Carom, Inc. (2003 to 2011), Grand Pin Development Corporation (2004 to 2011), Hobitton, Inc. (2003 to 2011) and Weathertop, Inc. (2004 to 2011); Corporate Secretary of Cuisine Allurements, Inc. (2002 to 2011), Los Boldos, Inc. (2003 to 2011) , Onion and Chives, Inc. (2003 to 2011) and Corporate Secretary of RF Cuervo, Inc. (2007 to 2008).

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 organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated, during the last five (5) years up to the date of filing.

Item 10. Executive Compensation

Minimal per diems or allowances were paid to the executive officers and directors of the Company for the preceding fiscal year.

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 as of 31 March 2012.

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	*PCD Nominee Corporation*	*Various Owners* 1. Abacus Securities Corporation – 92,067,986 (12.44%) 2. Tower Securities Inc.- 57,698,000 (7.80%)	*Filipino*	*576,599,930**	*77.92%*
Common	*Renato Reyes*		*Filipino*	*85,407,500***	*11.54%*
Common	*PCD Nominee Corporation*		*Non-Filipino*	*42,501,000*	*5.74%*

**Excludes 13,407,500 shares owned by Mr. Reyes*
***Includes 13,407,500 shares already with PCD*

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 March 31, 2012:

Title of Securities	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (D) direct/ (I) indirect	Citizenship	Percent of Class
Common	Jerry C. Angping Chairman and Director	351,000 (Direct & Indirect)	Filipino	0.047%
Common	Richard N. Palou Director	10,000 (Direct)	Filipino	0.00%
Common	Antonio V. F. Gregorio III Corporate Secretary/ Asst. Corporate Information Officer/ Director	10,000 (Direct)	Filipino	0.00%
Common	Daniel Go Independent Director	2,000 (Direct)	Filipino	0.00%
Common	Chi Ho Co Director and Treasurer	10,000 (Direct)	Filipino	0.00%
Common	Leonardo Gayao Director	1,000 (Direct)	Filipino	0.00%
Common	Felixes Latonero	10,000 (Direct)	Filipino	0.00%
Common	Venus L. Gregorio Asst. Corporate Secretary and Corporate Information Officer	10,000 (Indirect)	Filipino	0.00%
	Aggregate for above named Officers and Directors	394,000		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

The Company obtains short-term and non interest-bearing advances from stockholders for working capital requirements. Total advances amounted to NIL and P1,050,000 as of December 2011 and 2010, respectively.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

(i) The evaluation system established by the Company to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance.

The Corporation complied with the appropriate performance self-rating assessment and performance evaluation system to determine and measure compliance with corporate governance

(ii) Measures being undertaken by the Company to fully comply with the adopted leading practices on good corporate governance.

Some of the Board of Directors are yet to attend a 2-day seminar on Corporate Governance and are planning to attend at the earliest schedule offered by the SEC

(iii) Any deviation from the Company's Manual of Corporate Governance. It shall include a disclosure of the name and position of the person/s involved, and the sanctions imposed on said individual.

The Company does not know of any deviation from its Manual of Corporate Governance.

(iv) Any plan to improve corporate Governance of the Company.

The Board of Directors will study the need to improve the corporate governance of the Company.

In compliance with the Securities and Exchange Commission Memorandum Circular No. 2 dated April 5, 2002; a certification was issued and submitted by the Company on 13 January 2012.

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*
February 21, 2011	Resignation of Mr. Antonio L. Tiu as Director and Chairman of the Board and declaration of vacancy in

	the Board of Directors.
	Resignation of Messrs. Patrick Caoile and Miguel Malvar and declaration of vacancies in the Board of Directors.
	Resignation of Mr. Richard N. Palou as President and declaration of the position President vacant.
	Election of Mr. Jerry C. Angping as Director and Chairman of the Board of Directors and President
	Election of Daniel Go as Independent Director
	Execution of Waiver of Payment with Musx Corporation for purposes of terminating the Company's obligations.
April 13,2011	Approval of the issuance of the 2010 Audited Financial Statements
	Election of Mr. Felixes G. Latonero as Independent Director.
May 11, 2011	Postponement of 2011 annual stockholders' meeting
	Approval of the Company's financial statements and quarterly report for the first quarter of 2011 and authorization for its issuance.
August 12, 2011	Approval of the Company's unaudited financial statements and quarterly report for the second quarter of 2011.
January 13, 2012	Certification on compliance with the manual on corporate governance
January 13, 2012	Certificate on the attendance 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 Q.C on June 05, 2012.

By:

JERRY C. ANGPING
Chairman and President

CHI HO CO
Treasurer

ANTONIO V. F. GREGORIO III
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUN 05 2012 day of April 2012 affiants exhibiting to me

Name	**ID No.**	**Issued on/at**
Jerry C. Angping	TIN 138-556-435	
Chi Ho Co	TIN 167-858-435	
Antonio V. F Gregorio III	TIN 201-897-602	

ATTY. JOEL G. GORDOLA
NOTARY PUBLIC
Notary Public
NOTARIAL COMMISSION NO. 066
COMMISSION EXPIRES DEC. 31, 2012
PTR NO. 6010756, 1/03/2012, Q.C.
IBP NO. 823224 DEC. 2, 2011, Q.C.
ROLL OF ATTORNEY NO. 25103

Doc. No. 78 :
Page No. 16 :
Book No. 147 :
Series of 2012.

LODESTAR INVESTMENT HOLDINGS CORPORATION

c/o 12 Jaime St., Carmel 1, Bahay Toro, Quezon 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 for the years ended December 31, 2011 and 2010, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders or members.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and, and in its report to the Board of Directors and stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

JERRY ANGPING	**CHI HO CO**	**ANTONIO V. GREGORIO III**
Chairman and President	*Treasurer*	*Corporate Secretary*

JUN 0 5 2012

SUBSCRIBED AND SWORN to before me this ____ day of ____ 2012 at ~~Makati City~~. QUEZON CITY

Jerry Angping	Tin# 138-556-435-000
Chi Ho Co	Tin# 167-858-435-000
Antonio Victoriano F. Gregorio III	Tin# 201-897-602-000

Doc. No 27
Page No. 6
Book No. 67
Series of 2012.

ATTY. JOEL G. GORDOLA
NOTARY PUBLIC
NOTARIAL COMMISSION NO. 066
COMMISSION EXPIRES DEC. 31, 2012
PTR NO. 6010756, 1/03/2012, Q.C.
IBP NO. 823224 DEC. 2, 2011, Q.C.
ROLL OF ATTORNEY NO. 25103

Punongbayan & Araullo

Member firm within Grant Thornton International Ltd

Financial Statements and Independent Auditors' Report

Lodestar Investment Holdings Corporation

December 31, 2011, 2010 and 2009

Punongbayan & Araullo

Report of Independent Auditors

20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 886 5511
F +63 2 886 5506; +63 2 886 5507
www.punongbayan-araullo.com

REVENUE DISTRICT OFFICE NO 39
RECEIVED
APR 13 2012
RENITA L. VALLEJO
REVENUE OFFICER

The Board of Directors and the Stockholders
Lodestar Investment Holdings Corporation
3rd Floor, Certeza Building
795 EDSA, Diliman
Quezon City

Report on the Financial Statements

We have audited the accompanying financial statements of Lodestar Investment Holdings Corporation, which comprise the statements of financial position as at December 31, 2011 and 2010, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lodestar Investment Holdings Corporation as at December 31, 2011 and 2010, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2011 in accordance with Philippine Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates that the Company has incurred net losses of P4,217,437, P10,850,748 and P12,455,149 for the years ended December 31, 2011, 2010 and 2009, respectively, and has accumulated deficit of P72,395,639 and P68,178,202 as of December 31, 2011 and 2010, respectively. These conditions raise material uncertainty on the Company's ability to continue as a going concern. However, as discussed in Note 1, the Company is currently in the process of searching for possible mining opportunities. Moreover, the Company has a plan to enter into a merger with Abacus Coal Exploration and Development Corporation. Consequently, the accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of assets and the amounts and settlement of liabilities that might result from the outcome of this uncertainty.

REVENUE DISTRICT OFFICE NO. 39
BIR RECEIVED
APR 13 2012
RENITA L. VALLO
REVENUE OFFICER

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2011 required by the Bureau of Internal Revenue as disclosed in Note 18 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in the 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 a whole.

PUNONGBAYAN & ARAULLO

By: Romualdo V. Murcia III
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 3174908, January 2, 2012, Makati City
SEC Group A Accreditation
Partner - No. 0628-AR-1 (until Aug. 25, 2013)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-22-2011 (until Feb. 3, 2014)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2012)

April 12, 2012

BIR REVENUE DISTRICT OFFICE NO 39 RDO 7 RECEIVED APR 13 2012 RENITA L. VALLE REVENUE OFFICER

LODESTAR INVESTMENT HOLDINGS CORPORATION
c/o 12 Jaime St., Carmel 1, Bahay Toro, Quezon 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 for the years ended December 31, 2011 and 2010 in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and, and in its report to the Board of Directors and stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

JERRY ANGPING	**CHI HO CO**	**ANTONIO V. GREGORIO III**
Chairman and President	*Treasurer*	*Corporate Secretary*

SUBSCRIBED AND SWORN to before me this APR 13 2012 day of ____ 2012 at ~~Makati City~~ QUEZON CITY

Jerry Angping	Tin# 138-556-435-000
Chi Ho Co	Tin# 167-858-435-000
Antonio Victoriano F. Gregorio III	Tin# 201-897-602-000

Doc. No 307
Page No. 62
Book No. 7
Series of 2012.

ATTY. TOMAS F. DULAY, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31 2014
ROLL NO 16583/ 03 13 1961
IBP NO 823239 /CY 2012 / Q.C
PTR NO 6031383 / 01 02 12 / Q.C
MCLE EXEMPTED

REVENUE DISTRICT OFFICE NO 39
BIR RECEIVED RR 7
APR 13 2012
RENITA L. VALLEJO
REVENUE OFFICER

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010
(Amounts in Philippine Pesos)

	Notes		2011		2010
A S S E T S					
CURRENT ASSETS					
Cash	7	**P**	**1,589,125**	P	274,255
Available-for-sale financial assets	8		**20,779,600**		37,095,500
Deposit for future stock investment	9		**37,000,000**		27,000,000
Other current assets	18		**2,524,928**		1,174,755
Total Current Assets			**61,893,653**		65,544,510
NON-CURRENT ASSET					
Office furniture - net	2		**37,612**		-
TOTAL ASSETS		**P**	**61,931,265**	P	65,544,510
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	10	**P**	**1,804,416**	P	2,308,172
Advances from third parties	11		**1,086,258**		12,753,915
Advances from stockholders	12		**-**		1,050,000
Total Current Liabilities			**2,890,674**		16,112,087
EQUITY					
Capital stock	13		**74,000,000**		66,500,000
Additional paid-in capital	13		**66,714,858**		36,339,858
Revaluation reserve	8	**(**	**9,278,628)**		14,770,767
Deficit	1	**(**	**72,395,639)**	(	68,178,202)
Total Equity			**59,040,591**		49,432,423
TOTAL LIABILITIES AND EQUITY		**P**	**61,931,265**	P	65,544,510

See Notes to Financial Statements.

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Philippine Pesos)

	Notes	2011	2010	2009
REVENUE		**P -**	P -	P -
EXPENSES				
Management fees		**1,200,000**	5,040,000	2,500,000
Legal fees		**915,000**	2,085,000	1,295,000
Professional fees		**762,922**	1,558,552	1,515,727
Salaries and wages		**643,815**	736,191	1,342,030
Membership dues		**250,000**	250,000	250,000
Transportation and travel		**87,091**	15,568	14,803
Trustee fee		**62,422**	95,633	-
Listing and other regulatory fees		**61,200**	190,121	151,995
Printing and office supplies		**48,508**	92,707	183,112
Directors' fees		**35,000**	245,500	192,500
Taxes and licenses	18	**13,273**	11,633	131,106
Permits		**-**	184,390	-
Loss on sale of available-for-sale financial assets	8	**-**	-	4,631,371
Others		**158,254**	371,655	272,021
		4,237,485	10,876,950	12,479,665
OPERATING LOSS		**4,237,485**	10,876,950	12,479,665
INTEREST INCOME	7	**25,060**	32,752	30,645
LOSS BEFORE TAX		**4,212,425**	10,844,198	12,449,020
TAX EXPENSE	15	**5,012**	6,550	6,129
NET LOSS FOR THE YEAR		**P 4,217,437**	P 10,850,748	P 12,455,149
LOSS PER SHARE	14	**P 0.006**	P 0.015	P 0.168

See Notes to Financial Statements.

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Philippine Pesos)

	Notes	2011	2010	2009
NET LOSS FOR THE YEAR		**(P 4,217,437)**	(P 10,850,748)	(P 12,455,149)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (losses) on available-for-sale financial assets	8	**(24,049,395)**	(12,292,000)	31,335,208
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(P 28,266,832)**	(P 23,142,748)	P 18,880,059

See Notes to Financial Statements.

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Philippine Pesos)

	Notes	Capital Stock	Additional Paid-in Capital	Revaluation Reserves	Deficit	Total
Balance at January 1, 2011		P 66,500,000	P 36,339,858	P 14,770,767	(P 68,178,202)	P 49,432,423
Paid up portion of subscribed capital stock during the year	13	7,500,000	30,375,000	-	-	37,875,000
Total comprehensive loss for the year	8	-	-	(24,049,395)	(4,217,437)	(28,266,832)
Balance at December 31, 2011		**P 74,000,000**	**P 66,714,858**	**(P 9,278,628)**	**(P 72,395,639)**	**P 59,040,591**
Balance at January 1, 2010		P 56,000,000	P 34,239,858	P 27,062,767	(P 57,327,454)	P 59,975,171
Paid up portion of subscribed capital stock during the year	13	10,500,000	2,100,000	-	-	12,600,000
Total comprehensive loss for the year	8	-	-	(12,292,000)	(10,850,748)	(23,142,748)
Balance at December 31, 2010		P 66,500,000	P 36,339,858	P 14,770,767	(P 68,178,202)	P 49,432,423
Balance at January 1, 2009		P 50,000,000	P 23,414,858	(P 4,272,441)	(P 44,872,305)	P 24,270,112
Paid up portion of subscribed capital stock during the year	13	6,000,000	10,825,000	-	-	16,825,000
Total comprehensive income (loss) for the year	8	-	-	31,335,208	(12,455,149)	18,880,059
Balance at December 31, 2009		P 56,000,000	P 34,239,858	P 27,062,767	(P 57,327,454)	P 59,975,171

See Notes to Financial Statements.

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Philippine Pesos)

	Notes	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(P 4,212,425)	(P 10,844,198)	(P 12,449,020)
Adjustments for:				
Interest income	7	(25,060)	(32,752)	(30,645)
Depreciation	2	22,567	-	-
Loss on sale of available-for-sale financial assets	8	-	-	4,631,371
Operating loss before working capital changes		(4,214,918)	(10,876,950)	(7,848,294)
Increase in other current assets		(1,350,173)	(463,627)	(598,691)
Increase (decrease) in accounts payable and accrued expenses		(503,756)	(109,016)	2,093,835
Increase (decrease) in advances from third parties		(11,667,657)	(1,372,623)	14,126,538
Cash generated from (used in) operations		(17,736,504)	(12,822,216)	7,773,388
Interest received		25,060	32,752	30,645
Cash paid for income taxes	15	(5,012)	(6,550)	(6,129)
Net Cash From (Used in) Operating Activities		(17,716,456)	(12,796,014)	7,797,904
CASH FLOWS FROM INVESTING ACTIVITIES				
Deposit for future stock investment	9	(10,000,000)	-	(27,000,000)
Acquisition of available-for-sale financial assets	8	(7,733,495)	-	(7,540,701)
Acquisition of office furniture		(60,179)	-	-
Proceeds from sale of available-for-sale financial assets	8	-	-	7,620,438
Net Cash Used in Investing Activities		(17,793,674)	-	(26,920,263)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from subscribed capital stock	13	37,875,000	12,600,000	16,825,000
Proceeds from (repayments of) advances from stockholders	12	(1,050,000)	(9,636,095)	10,000,000
Net Cash From Financing Activities		36,825,000	2,963,905	26,825,000
NET INCREASE (DECREASE) IN CASH		1,314,870	(9,832,109)	7,702,641
CASH AT BEGINNING OF YEAR		274,255	10,106,364	2,403,723
CASH AT END OF YEAR		P 1,589,125	P 274,255	P 10,106,364

See Notes to Financial Statements.

LODESTAR INVESTMENT HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Philippine Pesos)

1. CORPORATE MATTERS

1.1 Corporate Information

Lodestar Investment Holdings Corporation (the Company) was incorporated on January 3, 1974 and its shares are listed with the Philippine Stock Exchange (PSE). The Company's primary purpose is to engage as an investment holding company. At present, the Company has no commercial operations but is in the process of searching for mining opportunities.

The Company's registered office is located at 3rd Floor, Certeza Building, 795 EDSA, Diliman, Quezon City.

1.2 Status of Operations

The Company has incurred net losses of P4,217,437, P10,850,748 and P12,455,149 for the years ended December 31, 2011, 2010 and 2009, respectively, and has accumulated deficit of P72,395,639 and P68,178,202 as of December 31, 2011 and 2010, respectively. These conditions raise uncertainty on the Company's ability to continue as a going concern. However, the Company is currently in the process of searching for mining opportunities. Moreover, the Company has a plan to enter into a merger with Abacus Coal Exploration and Development Corporation (ABACOAL) (see Note 16). Consequently, the financial statements have been prepared assuming that the Company will continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of assets and settlement of liabilities that might result from the outcome of this uncertainty.

1.3 Approval of Financial Statements

The financial statements of the Company for the year ended December 31, 2011 (including the comparatives for the years ended December 31, 2010 and 2009) were authorized for issue by the Company's Board of Directors (BOD) on April 12, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance 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 (IASB).

The financial statements have been prepared using the measurement bases specified by PFRS for each type of assets, liabilities, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses in two statements: a statement of income and a statement of comprehensive income. Two comparative periods are presented for the statement of financial position when the Company applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

(c) Functional and Presentation Currency

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

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of New and Amended PFRS

(a) Effective in 2011 that are Relevant to the Company

In 2011, the Company adopted the following amendment, interpretation and annual improvements to PFRS that are relevant to the Company and effective for financial statements for the annual period beginning on or after July 1, 2010 or January 1, 2011:

PAS 24 (Amendment)	:	Related Party Disclosures
Philippine Interpretations International Financial Reporting Interpretations Committee (IFRIC) 19	:	Extinguishing Financial Liabilities with Equity Instruments
Various Standards	:	2010 Annual Improvements to PFRS

Discussed below are relevant information about these new and amended standards.

(i) PAS 24 (Amendment), *Related Party Disclosures* (effective from January 1, 2011). The amendment simplifies and clarifies the definition of a related party by eliminating inconsistencies in determining related party relationships. The amendment also provides partial exemption from the disclosure requirements for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of this amendment did not result in any significant changes on the Company's disclosures of related parties in its financial statements.

(ii) Philippine Interpretations IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments* (effective from July 1, 2010). This interpretation clarifies the accounting when an entity renegotiates the terms of a financial liability through issuance of equity instruments to extinguish all or part of the financial liability. These transactions are sometimes referred to as "debt for equity" exchanges or swaps. The interpretation requires the debtor to account for a financial liability which is extinguished by equity instruments as follows:

- the issue of equity instruments to a creditor to extinguish all or part of a financial liability is consideration paid in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*;
- the entity measures the equity instruments issued at fair value, unless this cannot be reliably measured;
- if the fair value of the equity instruments cannot be reliably measured, then the fair value of the financial liability extinguished is used; and,
- the difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss.

The adoption of the interpretation did not have a material effect on the Company's financial statements as it did not extinguish financial liabilities through equity swap during the year.

(iii) 2010 Annual Improvements to PFRS. The FRSC has adopted the *2010 Improvements to PFRS*. Most of these amendments became effective for annual periods beginning on or after July 1, 2010 or January 1, 2011. Among those improvements, only the following amendments were identified to be relevant to the Company's financial statements but which did not have any material impact on its financial statements:

- PAS 1 (Amendment), *Presentation of Financial Statements: Clarification of Statement of Changes in Equity* (effective from July 1, 2010). The amendment clarifies that, for each component of equity, an entity may present an analysis of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. As the Company's other comprehensive income only includes fair value changes on available-for-sale (AFS) financial assets, the Company has elected to continue presenting each item of other comprehensive income in the statement of changes in equity.

- PFRS 7 (Amendment), *Financial Instruments: Clarification of Disclosures* (effective from January 1, 2011). The amendment clarifies the disclosure requirements which emphasize the interaction between quantitative and qualitative disclosures about the nature and extent of risks arising from financial instruments. It also amends the required disclosure of financial assets including the financial effect of collateral held as security. This amendment has no significant effect on the financial statements since the Company already provides adequate information in its financial statements in compliance with the disclosure requirements.

(b) Effective in 2011 that are not Relevant to the Company

The following amendments and improvements to PFRS are mandatory for accounting periods beginning on or after January 1, 2011 but are not relevant to the Company's financial statements:

PAS 32 (Amendment)	:	Financial Instruments: Presentation - Classification of Rights Issues
2010 Annual Improvements		
PAS 21 (Amendment)	:	The Effects of Changes in Foreign Exchange Rates
PAS 27 (Amendment)	:	Consolidated and Separate Financial Statements
PAS 28 (Amendment)	:	Investment in Associates
PAS 31 (Amendment)	:	Interests in Joint Ventures
PAS 34 (Amendment)	:	Interim Financial Reporting
PFRS 1 (Amendments)	:	First-time Adoption of PFRS
PFRS 3 (Amendments)	:	Business Combination

Philippine Interpretations		
IFRIC 13 (Amendment)	:	Customer Loyalty Programmes – Fair Value Awards Credits
IFRIC 14 (Amendment)	:	Prepayment of a Minimum Funding Requirement

(c) Effective Subsequent to 2011 but not Adopted Early

There are new PFRS, amendments, annual improvements and interpretations to existing standards that are effective for periods subsequent to 2011. Management has initially determined the following pronouncements, which the Company will apply in accordance with their transitional provisions, to be relevant to its financial statements:

(i) PFRS 7 (Amendment), *Financial Instruments: Disclosures – Transfers of Financial Assets* (effective from July 1, 2011). The amendment requires additional disclosures that will allow users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and, to evaluate the nature of, and risk associated with any continuing involvement of the reporting entity in financial assets that are derecognized in their entirety. The Company does not usually enter into this type of arrangement with regard to transfer of financial asset, hence, the amendment may not significantly change the Company's disclosures in its financial statements.

(ii) PAS 1 (Amendment), *Financial Statements Presentation – Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in Other Comprehensive Income into those that, in accordance with other PFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The Company's management expects that this will not affect the presentation of items in other comprehensive income, since all of the Company's other comprehensive income, which includes unrealized fair value gains and losses on AFS financial assets, can be reclassified to profit or loss when specified conditions are met.

(iii) PFRS 13, *Fair Value Measurement* (effective from January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Company is yet to assess the impact of this new standard.

(iv) PFRS 9, *Financial Instruments: Classification and Measurement* (effective from January 1, 2015). This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace PAS 39 in its entirety. This chapter deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangement, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

To date, other chapters of PFRS 9 dealing with impairment methodology and hedge accounting are still being completed.

The Company does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Company and it plans to conduct a comprehensive study of the potential impact of this standard to assess the impact of all changes.

2.3 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity investments and AFS financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The Company's financial asset pertains to loans and receivables and AFS financial assets.

(a) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The Company's financial assets categorized as loans and receivables are presented as Cash and Receivables (under Other Current Assets) in the statement of financial position. Cash is defined as cash on hand and demand deposits which is subject to insignificant risk of changes in value.

(b) AFS Financial Assets

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are presented as current assets in the statement of financial position since management intends to dispose of the investments within 12 months from the reporting period. Otherwise, AFS financial assets are presented as non-current assets. The Company's AFS financial assets include listed equity securities.

All financial assets within this category are subsequently measured at fair value. Gains and losses from changes in fair value are recognized in other comprehensive income, net of any income tax effects, and are reported as part of the Revaluation Reserves account in equity. When the financial asset is disposed of or is determined to be impaired, the cumulative fair value gains or losses recognized in other comprehensive income is reclassified from equity to profit or loss and is presented as reclassification adjustment within other comprehensive income.

Reversal of impairment losses are recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as Interest Income and Loss on Sale of AFS Financial Assets in the statement of comprehensive income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to exchange-quoted market bid prices at the close of business on the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The financial assets are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred.

2.4 Office Furniture

Office furniture are stated at cost less accumulated depreciation and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation of office furniture is computed on the straight-line basis over the estimated useful lives of two years.

The acquisition cost of office furniture as of December 31, 2011 amounted to P60,179, while the related accumulated depreciation amounted to P22,567.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than the estimated recoverable amount.

The residual values and estimated useful lives of office furniture are reviewed and adjusted if appropriate, at the end of each reporting period.

The Company's office furniture are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment loss for office furniture is recognized for the amount by which the asset's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from such asset and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors determined reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Office furniture is subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

An item of office furniture is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the year the item is derecognized.

2.5 Financial Liabilities

Financial liabilities, which include accounts payable and accrued expenses and advances from third parties and from stockholders, are recognized when the Company becomes a party to the contractual terms of the instrument.

Accounts payable and accrued expenses and advances from third parties and from stockholders are recognized initially at their fair value and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

2.6 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.7 Revenue and Expense Recognition

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company, and the costs incurred or to be incurred can be measured reliably.

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

Costs and expenses are recognized in profit or loss upon utilization of goods or services at the date they are incurred. Any finance costs are reported in the statement of income on an accrual basis.

2.8 Income Taxes

Tax expense recognized in the statement of income comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from or obligations to fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statement of income.

Deferred tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized.

The carrying amount of deferred tax assets is reviewed at end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply 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 end of the reporting period.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss. Only changes in deferred tax assets or liabilities that relate to items recognized in other comprehensive income or directly in equity, if any, are recognized in other comprehensive income or directly in equity.

2.9 Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

2.10 Equity

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

Additional paid-in capital represents any premiums 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.

Revaluation reserves pertain to the unrealized gain or loss arising from the revaluation of AFS financial assets.

Deficit includes all current and prior period results as disclosed in the statement of income.

2.11 Losses Per Share

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

2.12 Events After Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATE

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) *Impairment of AFS Financial Assets*

The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. Based on the recent evaluation of information and circumstances affecting the Company's AFS financial assets, management concluded that the assets are not impaired as of December 31, 2011 and 2010. Future changes in those information and circumstance might significantly affect the carrying amount of the assets.

(b) *Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provisions and contingencies are discussed in Note 2.6 and relevant disclosures are presented in Note 17.

3.2 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 financial year:

(a) Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at each reporting date 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 of December 31, 2011 and 2010, the Company did not recognize its deferred tax asset arising from net operating loss carry-over (NOLCO) as the Company may not have sufficient taxable income against which the NOLCO can be applied (see Note 15).

(b) Impairment of Office Furniture

The Company's policy on estimating the impairment of office furniture is discussed in Note 2.4. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

No impairment losses were recognized on office furniture in 2011.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from its use of financial instruments. 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 actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below and in the succeeding pages.

4.1 Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for its financial assets (i.e., cash and receivables).

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the statements of financial position as follows:

		2011		2010
Cash	P	1,584,125	P	269,255
Receivables (under Other Current Assets)		2,950		-
	P	1,587,075	P	269,255

The Company's cash is actively monitored to avoid significant and unwarranted exposure to credit risk. The credit risk for the Company's cash in bank is considered negligible since the counterparty is a reputable bank with high liquid credit ratings. Cash in bank, which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 per banking institution as provided for under Republic Act No. 9302, *Charter of Philippine Deposit Insurance Corporation,* are still subjected to credit risk.

4.2 Liquidity Risk

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

As at December 31, 2011 and 2010, the Company's financial liabilities having contractual maturities of 12 months are presented below:

	Notes		2011		2010
Accounts payable and accrued expenses	10	P	1,793,554	P	2,297,310
Advances from third parties	11		1,086,258		12,753,915
Advances from stockholders	12		-		1,050,000
		P	2,879,812	P	16,101,225

4.3 Other Price Risk Sensitivity

The Company's exposure to price risk arises from its investments in equity securities, which are classified as AFS Financial Assets in the statements of financial position. It manages its risk arising from changes in market indices by monitoring the changes in the market price of the investments.

For equity securities listed in the Philippines, an average volatility of 16.40% and 24.17% has been observed during 2011 and 2010, respectively. If the quoted price for these securities increased or decreased by that amount, equity would have changed by P3,408,045 in 2011 and P8,921,152 in 2010.

5. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Company adopted the amendments to PFRS 7, *Improving Disclosures about Financial Instruments*, effective January 1, 2009. These amendments require the Company to present certain information about financial instruments measured at fair value in the statements of financial position. In the first year of application, comparative information need not be presented for the disclosures required by the amendment.

In accordance with this amendment, financial assets and liabilities measured at fair value in the statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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 financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

As of December 31, 2011 and 2010, AFS financial asset is the only financial asset (nil for liabilities) measured at fair value in the statement of financial position and the value is determined under Level 1.

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

	Notes	2011		2010	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Loans and receivables					
Cash	7	P 1,589,125	P 1,589,125	P 274,255	P 274,255
Receivables		2,950	2,950	-	-
		1,592,075	1,592,075	274,255	274,255
AFS	8	20,779,600	20,779,600	37,095,500	37,095,500
		P 22,371,675	P 22,371,675	P 37,369,755	P 37,369,755
Financial liabilities					
At amortized cost					
Accounts payable and accrued expenses	10	P 1,793,554	P 1,793,554	P 2,297,310	P 2,297,310
Advances from third parties	11	1,086,258	1,086,258	12,753,915	12,753,915
Advances from stockholders	12	-	-	1,050,000	1,050,000
		P 2,879,812	P 2,879,812	P 16,101,225	P 16,101,225

See Notes 2.3 and 2.5 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 4.

6. 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.

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 the 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 as of December 31, 2011 and 2010 follows:

	2011	2010
Total liabilities	**P 2,890,674**	P 16,112,087
Total equity	**59,040,591**	49,432,423
Total equity	**0.05 : 1.0**	0.33 : 1.0

As discussed in Note 1.2, the Company has a plan to enter into a merger with ABACOAL where the Company shall acquire the Coal Property and all the other assets and liabilities of ABACOAL (see Note 16). Moreover, the Company is in the process of searching for other mining opportunities.

7. CASH

The Company's cash comprises cash in banks which generally earn interest at rates based on daily bank deposit rates. Total interest income earned arising from these deposits amounted to P25,060, P32,752 and P30,645 in 2011, 2010 and 2009, respectively, and is presented as Interest Income in the statements of income.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The reconciliation of the carrying amount of AFS financial assets in 2011 and 2010 follows:

	2011	2010
Balance at beginning of year	**P 37,095,500**	P 49,387,500
Unrealized fair value losses - net	**(24,049,395)**	(12,292,000)
Acquisitions	**7,733,495**	-
Balance at end of year	**P 20,779,600**	P 37,095,500

AFS financial assets consist of shares of publicly-listed companies.

Unrealized fair value losses in 2011 and 2010 are presented in the statements of comprehensive income.

In 2009, the Company recognized loss on sale of AFS financial assets amounting to P4,631,371 and is presented as a separate line item in the 2009 statement of income.

On October 28, 2008, the Company entered into an Investment Management Agreement (IMA) with Philippine Commercial Capital, Inc. (PCCI). The Company's management tasked PCCI in identifying and effecting financial assets investments that will possibly yield the Company a good and substantial return.

The fair values of AFS financial assets have been determined directly by reference to the market value of the shares in the stock exchange as of December 31, 2011 and 2010 or the price of the shares based on the most recent transactions.

9. DEPOSIT FOR FUTURE STOCK INVESTMENT

This account pertains to amount of deposits made in 2009 to Abacus Consolidated Resources Holdings, Inc. (ACRHI) for the Company's 100% acquisition of ABACOAL, pursuant to the Agreement for Joint Investment executed by the Company and Music Semiconductors Corporation (MSC) on September 24, 2008 with certain amendments made on May 21, 2009 for the joint purchase by the Company and MSC of the 100% of the outstanding and issued shares of ABACOAL held by ACRHI (see Note 16). As of December 31, 2011 and 2010, the deposit for future stock investment amounted to P37,000,000 and P27,000,000, respectively.

10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of:

	2011	2010
Accounts payable	**P 1,721,890**	P 2,171,890
Accrued expenses	**82,526**	136,282
	P 1,804,416	P 2,308,172

11. ADVANCES FROM THIRD PARTIES

On May 31, 2009, the Company and Oriental Vision Mining Philippines Corporation (Orvi) entered into a Memorandum of Agreement (MOA) whereby Orvi will undertake exploration and development of a 7,000-hectare coal property in Surigao del Sur owned by ABACOAL. Under the MOA, Orvi shall have the right to explore, develop and operate the subject coal property in exchange for royalty fee at 8% of gross price per ton of any coal to be mined in the property. In addition, Orvi paid the Company P25,000,000 representing reimbursement of the Company's advances made and to be made to third parties related to the initial exploration and development of the coal property. Any settlement in excess of the P25,000,000 shall be collectible from Orvi and any excess of the P25,000,000 over the settlement made shall be payable to Orvi. In 2011 and 2010, the Company spent P11,667,657 and P1,372,623 in relation to the MOA, and charged the same to the Advances from Third Parties account. The remaining outstanding liability of P1,086,258 and P12,753,915, as of December 31, 2011 and 2010, respectively, and are shown as Advances from Third Parties in the statements of financial position.

12. RELATED PARTY TRANSACTIONS

The Company obtains short-term and noninterest-bearing advances from stockholders for working capital requirements. Total outstanding advances, which are shown as Advances From Stockholders in the 2010 statements of financial position, amounted to P1,050,000. The advances are fully paid in 2011.

13. CAPITAL STOCK

The details of the Company's capital stock are as follows:

	Number of Shares			Amount		
	2011	2010	2009	**2011**	2010	2009
Authorized (P0.10 par value per share in 2011 and 2010, P1.00 par value per share in 2009)	**1,000,000,000**	1,000,000,000	100,000,000	**P 100,000,000**	P 100,000,000	P 100,000,000
Issued and outstanding:						
Issued:						
Balance at beginning of year	**665,000,000**	56,000,000	50,000,000	**P 66,500,000**	P 56,000,000	P 50,000,000
Issued during the year	**75,000,000**	10,500,000	6,000,000	**7,500,000**	10,500,000	6,000,000
Stock split	**-**	598,500,000	-	**-**	-	-
Balance at end of year	**740,000,000**	665,000,000	56,000,000	**74,000,000**	66,500,000	56,000,000
Subscribed:						
Balance at beginning of year	**75,000,000**	18,000,000	-	**7,500,000**	18,000,000	-
Subscribed during the year	**-**	-	24,000,000	**-**	-	24,000,000
Paid during the year	**(75,000,000)**	(10,500,000)	(6,000,000)	**(7,500,000)**	(10,500,000)	(6,000,000)
Stock split	**-**	67,500,000	-	**-**	-	-
Balance at end of year	**-**	75,000,000	18,000,000	**-**	7,500,000	18,000,000
Total issued and outstanding	**740,000,000**	740,000,000	74,000,000	**74,000,000**	74,000,000	74,000,000
Subscription receivable				**-**	(7,500,000)	(18,000,000)
				P 74,000,000	P 66,500,000	P 56,000,000

Below is the summary of the foregoing capital subscription transactions made as of December 31, 2011 and 2010:

	2011			2010		
	Par	Additional Paid-in Capital	Total	Par	Additional Paid-in Capital	Total
Subscription receivable, beginning of year	P 7,500,000	P 30,375,000	P 37,875,000	P 18,000,000	P 32,475,000	P 50,475,000
Payments	(7,500,000)	(30,375,000)	(37,875,000)	(10,500,000)	(2,100,000)	(12,600,000)
Subscription receivable, end of year	P -	P -	P -	P 7,500,000	P 30,375,000	P 37,875,000

On May 26, 1989, the Securities and Exchange Commission (SEC) approved the listing of the Company's shares. As of December 31, 2011, 86% of the issued and outstanding shares are held by the public. Such listed shares closed at P0.74 per share as of December 31, 2011.

On March 17, 2009, the Company and various investors entered into an investment agreement for the purchase by way of subscription through private placement of the Company's common shares of stock. The number of shares subscribed totaled 14 million at the price of P1.20 per share or P16.8 million, of which 25% or P4.2 million was initially paid. The said agreement was approved by the BOD in its meeting on March 13, 2009. In 2010, the Company received P12.6 million representing full payment of the subscriptions of the stockholders.

On November 6, 2009, the Company entered into another investment agreement with various investors whereas the investors agreed to subscribe by way of private placement of 10.0 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 P5.05 per share or for a total of P50.5 million, of which 25% or P12.6 million was initially paid in 2009. The transaction was approved by the BOD on September 14, 2009. The remaining amount of P37.9 million was fully paid in 2011.

On a special meeting of the BOD held on November 6, 2009, the BOD approved the following:

(i) Proposed reduction in the par value of the shares of stock of the Company from P1.00 to P0.10 per share, resulting in a stock split of ten shares for every one share issued. A share buy-back program was also adopted, which will depend on the Company's retained earnings and the market price of the Company's shares under such terms and conditions to be determined and set by the BOD.

(ii) Proposed increase in the authorized capital stock of the Company from P100.0 million divided into 100 million shares at P1.00 par value per share to P300.0 million divided into 3 billion shares at P0.10 par value per share.

(iii) Issuance of shares of stock from the proposed capital increase through pre-emptive stock rights offering. The pre-emptive stock rights offering shall be implemented on a 1:1 proportion, i.e., one share held by qualified stockholders entitled the said stockholders to subscribe to one share under the offering. The stock rights offer price shall be at par of P0.10, representing the reduced par value of the shares at the expected time of the stock rights offering, or at P1.00 if the stock rights offering happens at the time prior to the reduction in the par value of the shares.

The foregoing proposed transactions were approved by the Company's stockholders on its annual meeting on December 17, 2009. On September 14, 2010, the SEC approved the reduction in the par value of the shares of stock of the Company from P1.00 to P0.10. In effect, the authorized capital stock shall be P100.0 million divided into 1.0 billion shares. As of December 31, 2011, the Company has yet to secure the approval of the SEC on the remaining transactions.

Further, on a meeting held on November 3, 2010, the BOD approved the proposed reduction in the par value of the shares of stock of the Company from P0.10 to P0.01 per share resulting in a stock split of ten (10) shares for every one share owned. However, the reduction in par value has not been applied with the SEC as of December 31, 2011.

14. LOSSES PER SHARE

Losses per share are computed as follows:

	2011	2010	2009
Net loss	**P 4,217,437**	P 10,850,748	P 12,455,149
Divided by the weighted average number of outstanding common shares	**740,000,000**	740,000,000	740,000,000
Losses per share	**P 0.006**	P 0.015	P 0.168

In 2010, reduction in the par value of the shares from P1.00 to P0.10 was approved by the SEC resulting in a stock split of 10 is to 1 (see Note 13). The number of shares in 2009 has been adjusted to reflect the stock split in 2010.

The Company has no potentially dilutive instruments, thus, basis and dilutive earnings per share are the same.

15. INCOME TAXES

The tax expense shown in profit or loss pertains to the final tax on the interest income earned on the Company's cash in bank.

The Company did not recognize any deferred tax asset from its NOLCO as of December 31, 2011 and 2010 since it is doubtful that the Company will have sufficient taxable profit against which the deferred tax assets can be utilized.

The amounts of unrecognized deferred tax assets as of December 31, 2011 and 2010 amounted to P6,880,494 and P5,743,574, respectively.

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	Expiry Year
2011	P 4,237,485	P -	P 4,237,485	2014
2010	10,876,950	-	10,876,950	2013
2009	7,820,545	-	7,820,545	2012
2008	447,753	447,753	-	2011
	P 23,382,733	P 447,753	P 22,934,980	

In 2011, 2010, and 2009, the Company opted to continue claiming itemized deductions.

16. AGREEMENT FOR JOINT INVESTMENT

16.1 Purchase of ABACOAL Shares

On September 24, 2008, the Company and MSC 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. MSC and the Company shall acquire 55% and 45% participation and equity interest, respectively, in ABACOAL and the coal property. Unit price per stock of MSC 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, MSC and ACRHI amended the agreement with the following revised terms and conditions:

(a) Assignment of Investment Interests and Participation

MUSX Corporation (formerly MSC) 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 MSC the following consideration for the assignment of the right to acquire 55% participation and equity interest in ABACOAL: (1) P12.0 million upon signing of the Agreement as and by way of reimbursement of certain expenses and payments already made by MSC into the ABACOAL project; (2) P10.0 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 MSC into the Project; (3) One-fourth percent (0.25%) of the gross coal price per ton based on 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 P12.0 million and P10.0 million are recorded as part of Deposit for Future Stock Investment in the statements of financial position (see Note 9). Moreover, the Company made an additional deposit amounting to P5.0 million as part of the pending acquisition by the Company of ABACOAL.

On February 21, 2011, the Company paid MSC the amount of P10,000,000 as and 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 MSC 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.

16.2 Acquisition of Coal Property and Plan of Merger

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 (see Note 9).

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 agree 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 in the total amount of P75.0 million, payable as follows:

- P30.0 million advance deposit on ABACOAL's participation due on September 24, 2008, June 1, 2009 and June 8, 2009;

- Amounts to be paid upon and to be taken from the sale of the first production of coal products from the Coal Property:

  a. P20.0 million upon consummation of said first sale of coal products; and,
  b. P25.0 million payable thirty days from consummation of said first sale of coal products.

As of December 31, 2011, the merger between the Company and ABACOAL is not yet executed; however, the above agreements are still binding.

17. 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 of December 31, 2011, management believes that losses, if any, that may arise from these commitments and contingencies will not have any material effect on the financial statements.

18. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

18.1 Requirements under Revenue Regulations (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR 15-2010 issued on November 25, 2010 are presented in the next page.

(a) Output Value-added Tax (VAT)

In 2011, the Company had no revenue earned subjected to output VAT.

(b) Input VAT

The movements in input VAT are summarized below.

Balance at beginning of year	P	1,174,754
Services lodged under operating expenses		1,347,226
Balance at end of year	P	2,521,980

The balance of input VAT is presented as part of Other Current Assets account in the 2011 statement of financial position

(c) Taxes on Importation

The Company did not incur or pay any customs duties and tariff fees as it did not have any importation for the year ended December 31, 2011.

(d) Excise Tax

The Company did not have any transactions in 2011 which are subject to excise tax.

(e) Documentary Stamp Tax

The Company has no documentary stamp tax in 2011 since it did not have any transactions which are subject to documentary stamp tax.

(f) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2011 are shown below.

Expanded	P	1,743,666
Compensation and benefits		136,168
	P	1,879,834

The Company has no transaction subject to final withholding tax.

(g) Taxes and Licenses

The details of taxes and licenses for the year ended December 31, 2011 follow:

Permits	P	7,612
Fire inspection		2,461
Barangay clearance		2,000
Residence tax – basic and additional		700
Annual registration fee		500
	P	13,273

(h) Deficiency Tax Assessment and Tax Cases

As of December 31, 2011, the Company does not have any final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open years.

18.2 Requirements 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 2011 statement of income.

(a) Taxable Revenues

The Company has no taxable revenue in 2011.

(b) Deductible Costs of Services

The Company has no deductible costs of services in 2011.

(c) Taxable Non-Operating and Other Income

The Company has no taxable non-operating and other income in 2011.

(d) Itemized Deductions

The amounts of itemized deductions under the regular tax rate for the year ended December 31, 2011 are as follows:

Professional and legal fees	P	1,677,922
Management fees		1,200,000
Salaries and allowances		643,815
Membership fees		250,000
Transportation and travel		87,091
Listing and other regulatory fees		61,200
Office supplies		48,508
Director's fees		35,000
Taxes and licenses		13,273
Miscellaneous		220,676
	P	4,237,485

Punongbayan & Araullo

Member firm within Grant Thornton International Ltd

Supplementary Financial Statements and Independent Auditors' Report

Lodestar Investment Holdings Corporation

December 31, 2011, 2010 and 2009

Punongbayan & Araullo

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Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

The Board of Directors and Stockholders
Lodestar Investment Holdings Corporation
3rd Floor, Certeza Building
795 EDSA, Diliman
Quezon City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Lodestar Investment Holdings Corporation for the year ended December 31, 2011, on which we have rendered our report dated April 12, 2012. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) are presented for purposes of additional analysis in compliance with the requirements of the Securities Regulation Code Rule 68, and are not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information are the responsibility of the management. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Romualdo V. Murcia III**
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 3174908, January 2, 2012, Makati City
SEC Group A Accreditation
Partner - No. 0628-AR-1 (until Aug. 25, 2013)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-22-2011 (until Feb. 3, 2014)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2012)

April 12, 2012

Lodestar Investment Holdings Corporation
List of Supplementary Information
December 31, 2011

Lodestar Investment Holdings Corporation
Schedule A - Financial Asset
December 31, 2011

Name of Issuing Entity and Description of Investment		*Amount shown in the Balance Sheet*	*Value based on market quotation at end of reporting period (per share)*	*Income received and accrued*
Available-for-sale Securities				
ATN Holdings Corp. - "B"	4,390,000	P 11,809,100	P 2.69	-
IP E-Game Ventures, Inc.	385,000	8,970,500	23.3	-
		P 20,779,600		

Lodestar Investment Holdings Corporation
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2011

			Deductions		*Ending Balance*		
Name and Designation of Debtor	*Balance at Beginning of Year*	*Additions*	*Amounts Collected*	*Amounts Written-off*	*Current*	*Not Current*	*Balance at End of Year*

N/A

Lodestar Investment Holdings Corporation
Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2011

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

N/A

Lodestar Investment Holdings Corporation
Schedule D - Intangible Assets - Other Assets
December 31, 2011

Description	*Beginning Balance*	*Additions at costs*	*Charged to Cost and Expenses*	*Charged to Other Accounts*	*Other Changes Additions (Deductions)*	*Ending Balance*

N/A

Lodestar Investment Holdings Corporation
Schedule E - Long-term Debt
December 31, 2011

Title of Issue and Type of Obligation	*Amount Authorized by Indenture*	*Amount Shown Under Caption"Current Portion of Long-term Debt" in Related Balance Sheet*	*Amount Shown Under Caption"Long-term Debt" in related Statement of Condition*

N/A

Lodestar Investment Holdings Corporation
Schedule F - Indebtedness to Related Parties (Long-term Loans from Related Companies)
December 31, 2011

Name of Related Party	*Balance at Beginning of Year*	*Balance at End of Year*

N/A

Lodestar Investment Holdings Corporation
Schedule G - Guarantees of Securities of Other Issuers
December 31, 2011

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

N/A

Lodestar Investment Holdings Corporation
Schedule H - Capital Stock
December 31, 2011

				Number of Shares Held by		
Title of Issue	*Number of Shares Authorized*	*Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption*	*Number of Shares Reserved for Options, Warrants, Conversion and Other Rights*	*Related Parties*	*Directors, Officers and Employees*	*Others*
Common shares	1,000,000,000	740,000,000			75,816,000	664,184,000

Lodestar Investment Holdings Corporation
Reconciliation of Retained Earnings Available for Dividend Distribution
December 31, 2011

DEFICIT AT BEGINNING OF YEAR	(P 68,178,202)
Loss actually incurred during the year	(4,217,437)
DEFICIT AT END OF YEAR	(P 72,395,639)

LODESTAR INVESTMENT HOLDINGS CORPORATION

Schedule of Philippine Financial Reporting Standards Effective as of December 31, 2011

Standards and Interpretations		Adoption	Remarks
Philippine Financial Reporting Standards (PFRS)			
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards	Adopted	
PFRS 2	Share-based Payment	Not Applicable	
PFRS 3	Business Combinations	Not Applicable	
PFRS 4	Insurance Contracts	Not Applicable	
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable	
PFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable	
PFRS 7	Financial Instruments: Disclosures	Adopted	
PFRS 8	Operating Segments	Adopted	
Philippine Accounting Standards (PAS)			
PAS 1	Presentation of Financial Statements	Adopted	
PAS 2	Inventories	Not Applicable	
PAS 7	Statement of Cash Flows	Adopted	
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Adopted	
PAS 10	Events after the Reporting Period	Adopted	
PAS 11	Construction Contracts	Not Applicable	
PAS 12	Income Taxes	Adopted	
PAS 16	Property, Plant and Equipment	Adopted	
PAS 17	Leases	Not Applicable	
PAS 18	Revenue	Adopted	
PAS 19	Employee Benefits	Adopted	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable	
PAS 21	The Effects of Changes in Foreign Exchange Rates	Not Applicable	
PAS 23	Borrowing Costs	Not Applicable	
PAS 24	Related Party Disclosures	Adopted	
PAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable	
PAS 27	Consolidated and Separate Financial Statements	Not Applicable	
PAS 28	Investments in Associates	Not Applicable	
PAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable	
PAS 31	Interests in Joint Ventures	Adopted	
PAS 32	Financial Instruments: Presentation	Adopted	
PAS 33	Earnings per Share	Adopted	
PAS 34	Interim Financial Reporting	Not Applicable	
PAS 36	Impairment of Assets	Adopted	
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	Adopted	
PAS 38	Intangible Assets	Not Applicable	
PAS 39	Financial Instruments: Recognition and Measurement	Adopted	
PAS 40	Investment Property	Not Applicable	
PAS 41	Agriculture	Not Applicable	

Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)

IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Not Applicable	
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments	Not Applicable	
IFRIC 4	Determining Whether an Arrangement Contains a Lease	Not Applicable	
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Not Applicable	
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	Not Applicable	
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies	Not Applicable	
IFRIC 9	Reassessment of Embedded Derivatives	Not Applicable	
IFRIC 10	Interim Financial Reporting and Impairment	Not Applicable	
IFRIC 12	Service Concession Arrangements	Not Applicable	
IFRIC 13	Customer Loyalty Programmes	Not Applicable	
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Not Applicable	
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Not Applicable	
IFRIC 17	Distributions of Non-cash Assets to Owners	Adopted	
IFRIC 18	Transfers of Assets from Customers	Not Applicable	
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	Adopted	

Philippine Interpretations - Standard Interpretations Committee (SIC)

SIC 7	Introduction of the Euro	Not Applicable	
SIC 10	Government Assistance - No Specific Relation to Operating Activities	Not Applicable	
SIC 12	Consolidation - Special Purpose Entities	Not Applicable	
SIC 13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	Not Applicable	
SIC 15	Operating Leases - Incentives	Not Applicable	
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	Not Applicable	
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	Not Applicable	
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	Not Applicable	
SIC 29	Service Concession Arrangements: Disclosures	Not Applicable	
SIC 31	Revenue - Barter Transactions Involving Advertising Services	Not Applicable	
SIC 32	Intangible Assets - Web Site Costs	Not Applicable	

LODESTAR INVESTMENT HOLDINGS CORPORATION
Map Showing the Relationship Between the Company and its Related Entities
December 31, 2011

N/A

Control No.:
Form Type: *PHFS (rev 2006)*

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: LODESTAR INVESTMENT HOLDINGS CORPORATION
CURRENT ADDRESS: c/o 12 Jaime St., Carmel 1 Bahay Toro, Quezon City
TEL. NO.: 928-9246 FAX NO.: 928-9246
COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2011 (in P'000)	2010 (in P'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)	61,931.00	65,545.00
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	61,894.00	65,545.00
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	1,589.00	274.00
A.1.1.1 On hand		
A.1.1.2 In domestic banks/entities	1,589.00	274.00
A.1.1.3 In foreign banks/entities		
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)		0.00
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4)		
A.1.2.1.1 Due from customers (trade)		
A.1.2.1.2 Due from related parties		
A.1.2.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2)		0.00
A.1.2.1.3.1		
A.1.2.1.3.2		
A.1.2.1.4 Allowance for doubtful accounts (negative entry)		
A.1.2.2 Due from foreign entities, specify (A.1.2.2.1 + A.1.2.2.2 + A.1.2.2.3 + A.1.2.2.4)		
A.1.2.2.1		
A.1.2.2.2		
A.1.2.2.3		
A.1.2.2.4 Allowance for doubtful accounts (negative entry)		
A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6)		
A.1.3.1 Raw materials and supplies		
A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)		
A.1.3.3 Finished goods		
A.1.3.4 Merchandise/Goods in transit		
A.1.3.5 Unbilled Services (in case of service providers)		
A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2)		
A.1.3.6.1		
A.1.3.6.2		
A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6)	20,780.00	37,096.00
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities: (A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5)		
A.1.4.1.1 National Government		
A.1.4.1.2 Public Financial Institutions		
A.1.4.1.3 Public Non-Financial Institutions		
A.1.4.1.4 Private Financial Institutions		
A.1.4.1.5 Private Non-Financial Institutions		
A.1.4.2 Held to Maturity Investments - issued by domestic entities: (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5)		
A.1.4.2.1 National Government		
A.1.4.2.2 Public Financial Institutions		
A.1.4.2.3 Public Non-Financial Institutions		
A.1.4.2.4 Private Financial Institutions		
A.1.4.2.5 Private Non-Financial Institutions		

NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: LODESTAR INVESTMENT HOLDINGS CORPORATION

CURRENT ADDRESS: c/o 12 Jaime St., Carmel 1 Bahay Toro, Quezon City

TEL. NO.: 928-9246 FAX NO.: 928-9246

COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2011 (in P'000)	2010 (in P'000)
A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5)	0.00	0.00
A.1.4.3.1 National Government		
A.1.4.3.2 Public Financial Institutions		
A.1.4.3.3 Public Non-Financial Institutions		
A.1.4.3.4 Private Financial Institutions		
A.1.4.3.5 Private Non-Financial Institutions		
A.1.4.4 Available-for-sale financial assets - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5)	20,780.00	37,096.00
A.1.4.4.1 National Government		
A.1.4.4.2 Public Financial Institutions		
A.1.4.4.3 Public Non-Financial Institutions	20,780.00	37,096.00
A.1.4.4.4 Private Financial Institutions		
A.1.4.4.5 Private Non-Financial Institutions		
A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4)		
A.1.4.5.1 Financial Assets at fair value through profit or loss		
A.1.4.5.2 Held-to-maturity investments		
A.1.4.5.3 Loans and Receivables		
A.1.4.5.4 Available-for-sale financial assets		
A.1.4.6 Allowance for decline in market value (negative entry)		
A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3)	39,525.00	28,175.00
A.1.5.1 Deposit for future stock investment	37,000.00	27,000.00
A.1.5.2 Others	2,525.00	1,175.00
A.1.5.3		
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+ A.2.8)	37.00	
A.2.1 Land		
A.2.2 Building and improvements including leasehold improvement		
A.2.3 Machinery and equipment (on hand and in transit)		
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment		
A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)		
A..2.5.1 Property, or equipment used for education purposes		
A..2.5.2 Construction in progress		
A..2.5.3 Office Equipment	60.00	
A..2.5.4		
A..2.5.5		
A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4 + A.2.6.5)		
A..2.6.1		
A..2.6.2		
A..2.6.3		
A..2.6.4		
A..2.6.5		
A.2.7 Accumulated Depreciation (negative entry)	-23.00	
A.2.8 Impairment Loss or Reversal (if loss, negative entry)		
A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3 + A.3.4)		
A.3.1 Equity in domestic subsidiaries/affiliates		
A.3.2 Equity in foreign branches/subsidiaries/affiliates		
A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3 + A.3.3.4 + A.3.3.5)		
A.3.3.1		
A.3.3.2		
A.3.3.3		
A.3.3.4		
A.3.3.5		
A.4 Investment Property		
A.5 Biological Assets		
A.6 Intangible Assets		
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)		
A.6.1.1		
A.6.1.2		
A.6.2 Others, specify (A.6.2.1 + A.6.2.2)		
A.6.2.1		
A.6.2.2		
A.7 Assets Classified as Held for Sale		
A.8 Assets included in Disposal Groups Classified as Held for Sale		

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR CONSOLIDATED FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: LODESTAR INVESTMENT HOLDINGS CORPORATION
CURRENT ADDRESS: c/o 12 Jaime St., Carmel 1 Bahay Toro, Quezon City
TEL. NO.: 928-9246 FAX NO.: 928-9246
COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2011 (in P'000)	2010 (in P'000)
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)		
A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3)		
A.9.1.1		
A.9.1.2		
A.9.1.3		
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3)		
A.9.2.1		
A.9.2.2		
A.9.2.3		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)		
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)		
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Income Tax		
A.10.3 Advance/Miscellaneous deposits		
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4+A.10.4.5)		
A.10.4.1		
A.10.4.2		
A.10.4.3		
A.10.4.4		
A.10.4.5		
A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)		
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	2,890.00	16,112.00
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)	2,890.00	16,112.00
B.1.1 Trade and Other Payables to Domestic Entities (B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4 + B.1.1.5 + B.1.1.6)	2,890.00	16,112.00
B.1.1.1 Loans/Notes Payables		
B.1.1.2 Trade Payables	1,804.00	2,308.00
B.1.1.3 Payables to Related Parties		
B.1.1.4 Advances from Directors, Officers, Employees and Principal Stockholders	0.00	1,050.00
B.1.1.5 Accruals, specify material items (B.1.1.5.1 + B.1.1.5.2 + B.1.1.5.3)		
B.1.1.5.1		
B.1.1.5.2		
B.1.1.5.3		
B.1.1.6 Others, specify (B.1.1.6.1 + B.1.1.6.2 + B.1.1.6.3)	1,086.00	12,754.00
B.1.1.6.1 Advances from third parties	1,086.00	12,754.00
B.1.1.6.2		
B.1.1.6.3		
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3)		
B.1.2.1		
B.1.2.2		
B.1.2.3		
B.1.3 Provisions		
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1 + B.1.4.2 + B.1.4.3 + B.1.4.4 + B.1.4.5)		
B.1.4.1		
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.4.5		
B.1.5 Liabilities for Current Tax		
B.1.6 Deferred Tax Liabilities		
B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) (B.1.7.1 + B.1.7.2 + B.1.7.3 + B.1.7.4 + B.1.7.5 + B.1.7.6)		
B.1.7.1 Dividends declared and not paid at balance sheet date		
B.1.7.2 Acceptances Payable		
B.1.7.3 Liabilities under Trust Receipts		
B.1.7.4 Portion of Long-term Debt Due within one year		
B.1.7.5 Deferred Income		
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabiilities, specify:		
B.1.7.6.1		
B.1.7.6.2		
B.1.7.6.3		

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES
NAME OF CORPORATION: LODESTAR INVESTMENT HOLDINGS CORPORATION
CURRENT ADDRESS: c/o 12 Jaime St., Carmel 1 Bahay Toro, Quezon City
TEL. NO.: 928-9246 FAX NO.: 928-9246
COMPANY TYPE : Holding Company PSIC:
If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2011 (in P'000)	2010 (in P'000)
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)		
B.2.1 Domestic Public Financial Institutions		
B.2.2 Domestic Public Non-Financial Institutions		
B.2.3 Domestic Private Financial Institutions		
B.2.4 Domestic Private Non-Financial Institutions		
B.2.5 Foreign Financial Institutions		
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)		
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale		
B.5 Other Liabilities (B.5.1 + B.5.2)		
B.5.1 Deferred Tax		
B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4 + B.5.2.5)		
B.5.2.1		
B.5.2.2		
B.5.2.3		
B.5.2.4		
B.5.2.5		
C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)	59,041.00	49,433.00
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3)	74,000.00	66,500.00
C.1.1 Common shares	74,000.00	66,500.00
C.1.2 Preferred Shares		
C.1.3 Others		
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)		0.00
C.2.1 Common shares		
C.2.2 Preferred Shares		
C.2.3 Others		
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)		
C.3.1 Common shares		
C.3.2 Preferred Shares		
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus	66,715.00	36,340.00
C.5 Minority Interest		
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3)		
C.6.1 Revaluation reserve on available-for-sale financial assets	(9,279.00)	14,771.00
C.6.2		
C.6.3		
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus		
C.8 Retained Earnings (C.8.1 + C.8.2)	(72,395.00)	(68,178.00)
C.8.1 Appropriated		
C.8.2 Unappropriated	(72,395.00)	(57,328.00)
C.9 Head / Home Office Account (for Foreign Branches only)		
C.10 Cost of Stocks Held in Treasury (negative entry)		
TOTAL LIABILITIES AND EQUITY (B + C)	61,931.00	65,545.00

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: LODESTAR INVESTMENT HOLDINGS CORPORATION

CURRENT ADDRESS: c/o 12 Jaime St., Carmel 1 Bahay Toro, Quezon City

TEL. NO.: 928-9246 FAX NO.: 928-9246

COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2011 (in P'000)	2010 (in P'000)	2009 (in P'000)
A. REVENUE / INCOME (A.1 + A.2 + A.3)	25.00	33.00	31.00
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining,utilities, trade, services, etc.) (from Primary Activity)			
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for			
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)			
A.3.1 Rental Income from Land and Buildings			
A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)			
A.3.3 Sale of Real Estate or other Property and Equipment			
A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.)			
A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7 + A.3.5.8)			
A.3.5.1 Rental Income, Equipment			
A.3.5.2			
A.3.5.3			
A.3.5.4			
A.3.5.5			
A.3.5.6			
A.3.5.7			
A.3.5.8			
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	25.00	33.00	31.00
A.4.1 Interest Income	25.00	33.00	31.00
A.4.2 Dividend Income			
A.4.3 Gain / (Loss) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4)			
A.4.3.1 Income from derecognition of advances from stockholder	0.00	0.00	0.00
A.4.3.2			
A.4.3.3			
A.4.3.4			
A.4.4 Others, specify (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4)			
A.4.4.1 Gain / (Loss) on Foreign Exchange			
A.4.4.2			
A.4.4.3			
A.4.4.4			
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)			
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)			
B.1.1 Direct Material Used			
B.1.2 Direct Labor			
B.1.3 Other Manufacturing Cost / Overhead			
B.1.4 Goods in Process, Beginning			
B.1.5 Goods in Process, End (negative entry)			
B.2 Finished Goods, Beginning			
B.3 Finished Goods, End (negative entry)			
C. COST OF SALES (C.1 + C.2 + C.3)			
C.1 Purchases			
C.2 Merchandise Inventory, Beginning			
C.3 Merchandise Inventory, End (negative entry)			
D. GROSS PROFIT (A - B - C)	25.00	33.00	31.00

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: LODESTAR INVESTMENT HOLDINGS CORPORATION
CURRENT ADDRESS: c/o 12 Jaime St., Carmel 1 Bahay Toro, Quezon City
TEL. NO.: 928-9246 FAX NO.: 928-9246
COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2011 (in P'000)	2010 (in P'000)	2009 (in P'000)
E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)	4,237.00	10,877.00	12,480.00
E.1 Selling or Marketing Expenses			
E.2 Administrative Expenses			
E.3 General Expenses			
E.4 Other Expenses, specify (E.4.1 + E.4.2 + E.4.3 + E.4.4 + E.4.5 + E.4.6 + E.4.7 + E.4.8 + E.4.9 + E.4.10)	4,237.00	10,877.00	12,480.00
E.4.1 Education-related expenditures			
E.4.2 Loss on sale of available-for-sale financial assets			4,631.00
E.4.3 Management fees	1,200.00	5,040.00	2,500.00
E.4.4 Professional fees	763.00	1,559.00	1,516.00
E.4.5 Salaries and wages	644.00	736.00	1,342.00
E.4.6 Legal fees	915.00	2,085.00	1,295.00
E.4.7 Dues and subscriptions	250.00	250.00	250.00
E.4.8 Directors' fees	35.00	246.00	193.00
E.4.9 Printing and office supplies	48.00	93.00	183.00
E.4.10 Others	382.00	868.00	570.00
F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5)			
F.1 Interest on Short-Term Promissory Notes			
F.2 Interest on Long-Term Promissory Notes			
F.3 Interest on bonds, mortgages and other long-term loans			
F.4 Amortization			
F.5 Other interests, specify (F.5.1 + F.5.2 + F.5.3 + F.5.4 + F.5.5)			
F.5.1			
F.5.2			
F.5.3			
F.5.4			
F.5.5			
G. NET INCOME (LOSS) BEFORE TAX (D - E - F)	-4,212.00	-10,844.00	-12,449.00
H. INCOME TAX EXPENSE (negative entry)	-5.00	-7.00	-6.00
I. INCOME(LOSS) AFTER TAX	-4,217.00	-10,851.00	-12,455.00
J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on theMeasurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any)			
J.1			
J.2			
K. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST			
L PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
M. EARNINGS (LOSS) PER SHARE			
M.1 Basic	0.01	0.02	0.02
M.2 Diluted			

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: LODESTAR INVESTMENT HOLDINGS CORPORATION
CURRENT ADDRESS: c/o 12 Jaime St., Carmel 1 Bahay Toro, Quezon City
TEL. NO.: 928-9246 FAX NO.: 928-9246
COMPANY TYPE Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA	2011 (in P'000)	2010 (in P'000)	2009 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss) Before Tax and Extraordinary Items	-4,212.00	-10,844.00	-12,449.00
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation	22.00		
Amortization, specify			
Others, specify: Interest income	-25.00	-33.00	-31.00
Loss on available-for-sale financial assets		0.00	4,631.00
Write-down of Property, Plant, and Equipment			
Changes in Assets and Liabilities:			
Decrease (Increase) in:			
Receivables	0.00	222.00	-222.00
Inventories			
Other Current Assets	-1,350.00	-686.00	-376.00
Others, specify:			
Increase (Decrease) in:			
Trade and Other Payables	-504.00	-109.00	2,094.00
Income and Other Taxes Payable			
Others, specify: Advances from third parties	-11,668.00	-1,373.00	14,127.00
Interest received	25.00	33.00	31.00
Cash paid for income taxes	-5.00	-7.00	-6.00
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	-17,717.00	-12,797.00	7,799.00
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in Long-Term Receivables			
(Increase) Decrease in Investment			
Reductions/(Additions) to Property, Plant, and Equipment	-60.00		
Others, specify Acquisition of available-for-sale financial assets	-7,733.00		-7,541.00
Proceeds from sale of available-for-sale financial assets			7,620.00
Increase in deposit for future stock investment	-10,000.00		-27,000.00
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)	-17,793.00	0.00	-26,921.00
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans			
Long-term Debt			
Issuance of Securities		0.00	0.00
Others, specify: Additional advances from stockholders	-1,050.00	-9,636.00	10,000.00
Proceeds from subscribed capital stock	37,875.00	12,600.00	16,825.00
Payments of:			
(Loans)			
(Long-term Debt)			
(Stock Subscriptions)			
Others, specify (negative entry):			
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)	36,825.00	2,964.00	26,825.00
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	1,315.00	-9,833.00	7,703.00
Cash and Cash Equivalents			
Beginning of year	274.00	10,107.00	2,404.00
End of year	1,589.00	274.00	10,107.00

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: LODESTAR INVESTMENT HOLDINGS CORPORATION
CURRENT ADDRESS: c/o 12 Jaime St., Carmel 1 Bahay Toro, Quezon City
TEL. NO.: 928-9246 FAX NO.: 928-9246
COMPANY TYPE : Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

(Amount in P'000)

FINANCIAL DATA	Capital Stock	Additional Paid-in Capital	Revaluation Increment	Translation Differences	Retained Earnings	TOTAL
A. Balance, 2009	56,000.00	34,240.00	27,063.00	0.00	-57,327.00	59,976.00
A.1 Correction of Error(s)						
A.2 Changes in Accounting Policy						
B. Restated Balance						
C. Surplus						
C.1 Surplus (Deficit) on Revaluation of Properties						
C.2 Surplus (Deficit) on Revaluation of Investments						
C.3 Currency Translation Differences						
C.4 Other Surplus (specify)						
C.4.1						
C.4.2						
C.4.3						
C.4.4						
C.4.5						
D. Net Income (Loss) for the Period			-12,292.00		-10,851.00	-23,143.00
E. Dividends (negative entry)						
F. Appropriation for (specify)						
F.1						
F.2						
F.3						
F.4						
F.5						
G. Issuance of Capital Stock						
G.1 Common Stock	10,500.00	2,100.00				12,600.00
G.2 Preferred Stock						
G.3 Others						
H. Balance, 2010	66,500.00	36,340.00	14,771.00	0.00	-68,178.00	49,433.00
H.1 Correction of Error (s)						
H.2 Changes in Accounting Policy						
I. Restated Balance						
J. Surplus						
J.1 Surplus (Deficit) on Revaluation of Properties						
J.2 Surplus (Deficit) on Revaluation of Investments						
J.3 Currency Translation Differences						
J.4 Other Surplus (specify)						
J.4.1						
J.4.2						
J.4.3						
J.4.4						
J.4.5						
K. Net Income (Loss) for the Period			-24,050.00		-4,217.00	-28,267.00
L. Dividends (negative entry)						
M. Appropriation for (specify)						
M.1						
M.2						
M.3						
M.4						
M.5						
N. Issuance of Capital Stock						
N.1 Common Stock	7,500.00	30,375.00				37,875.00
N.2 Preferred Stock						
N.3 Others						
O. Balance, 2011	74,000.00	66,715.00	-9,279.00	0.00	-72,395.00	59,041.00