

LODESTAR INVESTMENT HOLDINGS CORPORATION

7TH Floor Peaksun Building
Princeton cor. Shaw Blvd., Wackwack
Mandaluyong City

4 November 2019



To all Stockholders:

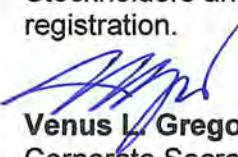
Notice is hereby given that the Annual Stockholders' Meeting of Lodestar Investment Holdings Corporation will be held on 11 December 2019 at 2:30 p.m. at the 7TH Floor Peaksun Building, Princeton St., Wackwack, Mandaluyong City. Agenda for the meeting is as follows:

AGENDA

1. Call to Order.
2. Certification of Notice and Quorum.
3. Reading and approval of the minutes of the Annual Meeting of the Stockholders held on 13 December 2018.
4. Adoption of the Audited Financial Statements and Annual Reports for the calendar year ended 31 December 2018.
5. President's Report for the calendar year 2018.
6. Election of Directors.
7. Ratification of all acts of the Board of Directors and Management for the period covered from 13 December 2018 to the date of the Annual Stockholders Meeting.
8. Appointment of Punongbayan and Araullo as the Company's External Auditor.
9. Other Matters.
10. Adjournment.

Only stockholders of record at the close of business on 15 November 2019 are entitled to notice of and to vote at the Annual Stockholders' Meeting, or any adjournment thereof.

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


Venus L. Gregorio
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

SECURITIES AND EXCHANGE
COMMISSION
RECEIVED
NOV 04 2019
MARKET REGULATION DEPT.
BY: [Signature] TIME: 1:46 ✓

1. Check the appropriate box:
[] Preliminary Information Statement
[x] Definitive Information Statement
2. Name of Registrant as specified in its charter:
LODESTAR INVESTMENT HOLDINGS CORPORATION
3. Province, country or other jurisdiction of incorporation or organization: **Philippines**
4. SEC Identification Number: **54106**
5. BIR Tax Identification Code: **200-751-430-000**
6. Address of principal office: **7th Floor, Peaksun Bldg., Princeton St. Wackwack, Mandaluyong City** Postal Code: **1555**
7. Issuer's telephone number, including area code: **c/o (632) 8920-9306**
8. Date, time and place of the meeting of security holders

**7th Floor Peaksun Building
Princeton St, Wackwack
Mandaluyong City
11 December 2019, 2:30 p.m.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **18 November 2019**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

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

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

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

Philippine Stock Exchange, Common Shares 640,000,000

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

1. GENERAL INFORMATION

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

(a) Date :	11 December 2019
Time :	2:30 p.m.
Place :	7TH Floor Peaksun Building Princeton St., Wackwack Mandaluyong City
Complete Mailing Address of Company :	Lodestar Investment Holdings Corporation 7th Floor, Peaksun Bldg., Princeton St. Wackwack, Mandaluyong City
Approximate Date on which copies of the Information Statement are first to be sent or given to security holders entitled to notice of and to vote at the Annual Meeting : 18 November 2019.	

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

Item 2. Dissenters' Right of Appraisal

Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of the shares in the following instances:

- (a) In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: Provided, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided, further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights, shall be suspended in accordance with the provisions of this Code, except the right of such stockholder to receive payment of the fair value thereof: Provided, That if the dissenting stockholder is not paid the value of the said shares within thirty (30) days after the award, the voting and dividend rights shall immediately be restored.

No demand for payment under this Title may be withdrawn unless the corporation consents thereto. If, however, such demand for payment is withdrawn with the consent of the corporation, or if the proposed corporate action is abandoned or rescinded by the corporation or disapproved by the Commission where such approval is necessary, or if the Commission determines that such stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of the shares shall cease, the status as the stockholder shall be restored, and all dividend distributions which would have accrued on the shares shall be paid to the stockholder.

The costs and expenses of appraisal shall be borne by the corporation, unless the fair value ascertained by the appraisers is approximately the same as the price which the corporation may have offered to pay the stockholder, in which case they shall be borne by the latter. In the case of an action to recover such fair value, all costs and expenses shall be assessed against the corporation, unless the refusal of the stockholder to receive payment was unjustified.

Within ten (10) days after demanding payment for shares held, a dissenting stockholder shall submit the certificates of stock representing the shares to the corporation for notation that such shares are dissenting shares. Failure to do so shall, at the option of the corporation, terminate the rights under this Title. If shares represented by the certificates bearing such notation are transferred, and the certificates consequently cancelled, the rights of the transferor as a dissenting stockholder under this Title shall cease and the transferee shall have all the rights of a regular stockholder; and all dividend distributions which would have accrued on such shares shall be paid to the transferee.

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

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

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

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

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

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

2. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) *Class entitled to vote*

As of 30 September 2019, there are 3,000,000,000 shares of the Company's common stock outstanding, consisting of 2,996,427,989 Filipino and 3,572,011 Non-Filipino shareholders. It is expected that on record date, 15 November 2019, the same total number of shares will be outstanding and entitled to vote at the Annual Meeting.

- (b) *Record Date*

The Record Date for the Annual Meeting is 15 November 2019. Thus, only stockholders of record at the close of business on 15 November 2019 are entitled to notice of and to vote at the Annual Meeting.

- (c) *Voting Rights*

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

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

- (1) *Security Ownership of Certain Record and Beneficial Owners*

The table below outlines the persons as of 30 September 2019 who are known to the Corporation to be directly or indirectly the record and / or beneficial owner of more than five (5%) of any class of the Corporation's voting securities:

Title / Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	Socorro P. Lim 1560 Carissa St., Dasmariñas Village, Makati City Major shareholder	Socorro P. Lim	Filipino	2,000,000,000	66.67%
Common	PCD Nominee Corporation G/F Tower One, Ayala Avenue, Makati City No relationship with Issuer	PCD Nominee Corporation is a wholly owned subsidiary of the Philippine Depository and Trust Corporation, Inc. (PDTC) is the registered owner of the shares in the books of the Registrant's stock transfer agent. The beneficial owner of such shares entitled to vote the same are PDTC's participants, who hold the shares either in their own behalf or on behalf of their clients. The following PDTC participants hold more than 5% of the Registrant's voting securities: 1. AP Securities Incorporated – 192,686,000 – (6.42%) The Registrant has no information on the persons authorized to vote the shares of the above-named PDTC participants. They will only be made known to the Registrant once the proxies and /or proper board resolutions on such authorizations are transmitted to the Company.	Filipino	629,910,429	20.997%

Common	Nathaniel C. Go Renaissance 3000 Tower 1, Meralco Avenue, Ortigas Center, Pasig City No relationship with issuer	Nathaniel C. Go	Filipino	260,000,000	8.667 %
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The clients of the PCD Nominee Corporation have the power to decide how their shares are to be voted.

(2) Security Ownership of Management

As of 30 September 2019, the shares owned by the directors and executive officers of the Company and the percentage of their shareholdings, are as follows:

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

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

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

Item 5. Directors and Executive Officers

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

As of 30 September 2019, the Board of Directors and Executive Officers of the Company consist of the following individuals:

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

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

ANTONIO VICTORIANO F. GREGORIO III, 46, Filipino, Director, Chairman.

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

CHI HO CO, 47, Filipino, Director and President.

Mr. Chi Ho Co is a businessman who currently serves as Director and Officer of various publicly listed and private companies including Geograce Resources Philippines, Inc. (2013 to present), Hightower, Inc. of which he is the President (2003 to present), Glomedic Philippines, Inc. (Chairman, 2004 to present), Banquets in Style, Inc.(Chairman, 2003 to present), Cavite Apparel Corporation (VP, 1998 to present), Subic Bay Apparel Corporation (VP, 1998 to present), Julia Realty & Development Corp. (Treasurer, 2006 to present), Edgeport Properties, Inc. (Treasurer/Secretary, 2006 to present), Fasttrack Realty & Development, Inc. (Chairman, 2004 to present) and CAC Motors Corp. (President, 2002 to present) among other companies. He was formerly a Director of Asiabest Group International Inc. (2011 to 2017) and Nihao Mineral Resources International, Inc. (2013 to 2014).

RAMONCITO B. CABALU, Filipino, 62.

Mr. Ramoncito Cabalu graduated with a Bachelor of Arts degree major in Economics and Social Sciences at the University of the Philippines in 1977. Mr. Cabalu is a director and President of a major entertainment company Circle Asia Group with major industry players to service the entertainment requirements of gaming companies in Manila and the emerging markets (2014 to present). He is also currently a director and Partner of Maple Tree Investments (2014 to present) and Vice-President/Partner for Business Development of Garco Minerals and Chemical Trading. He is also a director of Geograce Resources Philippines Inc. (2016 to present) and he was a director of Asiabest Group International Inc. (2014-2018).

DELFIN S. CASTRO, JR. Filipino, 53.

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

RICHARD N. PALOU, Filipino, 71

Mr. Richard William N. Palou is currently a Director of Dizon Copper-Silver Mines, Inc. (2017 to present). He is an MBA candidate and a graduate of Business Management at the Ateneo de Manila University. He currently serves as Director of DENAGA Pawnshop, Inc. (2007 to present), Vantage Investigation and Security Agency, Inc. (2007 to present), and First Philippine Wind Corporation (1997 to present). He was the Director for the University Athletics at the Ateneo de Manila University (2004 to 2017). He also served as a Director of Asiabest Group International Inc. (2008 to 2018).

FELIXES G. LATONERO, Filipino, 45.

Mr. Latonero is an Independent Director of Geograce Resources International, Inc. (2016 – present). He is also the President of Nontrad Advertising and FGL Modular Cabinet System, Inc. (2003-present). He graduated in 1995 with a degree in Fine Arts from the EARIST. He was Independent Director of Nihao Mineral Resources International, Inc. (2014-2015) and Independent Director of Asiabest Group International Inc. (2015-2018).

MANUEL G. ONG, Filipino, 61.

Mr. Manuel Ong studied Bachelor of Science major in Chemical Engineering from the Xavier School. He is currently the Vice President and Technical Director of Industrial Welding Corporation. He is an Independent Director of Nihao Mineral Resources International Inc. (2009-present), Dizon Copper-Silver Mines, Inc. (2016-present) and Geograce Resources International Inc. (2013-present). He was an Independent Director of Asiabest Group International Inc. (2015-2018).

VENUS L. GREGORIO, 50, Filipino, Corporate Information Officer and Corporate Secretary.

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

Nominees

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

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

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

Dr. Leonardo B. Cua who is not a current director is being nominated to the position of Independent Director.

Dr. Leonardo B. Cua is currently serving as a Director of Dizon Copper-Silver Mines, Inc. (2012-present) and an Independent Director of NiHAO Mineral Resources International Inc. (2017-present). He is also a Co-owner (2003-present) and Cosmetic Surgeon (2014-present) of JMC Derm Specialist Clinic. He is a physician by profession, Dr. Cua is currently a member of Philippine Medical Association and Philippine Society of Anesthesiologists. He graduated from the University of the Philippines, Diliman, with a degree of Bachelor of Science in Biology. He is a Doctor of Medicine from the University of the East Ramon Magsaysay Memorial Medical Center. He completed his post graduate internship from the Manila Doctor's Hospital and residency training at University of the East Ramon Magsaysay Memorial Medical Center.

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

The Nomination Committee approved the nominations of Dr. Leonardo B. Cua and Mr. Felixes G. Latonero for the positions of Independent Directors. Dr. Cua and Mr. Latonero

were nominated by Mr. Delfin S. Castro, Jr. Mr. Delfin S. Castro, Jr. is not related to any nominee for Independent Directors either by consanguinity or affinity.

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

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

(1) *Significant Employees*

The Company maintains a skeletal force of technical and administrative personnel. For 2019, the Company does not know yet of any such personnel is expected to make significant contribution to the business, and thus has no significant employees to name and report.

(2) *Family Relations*

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

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

(b) *Certain Relationships and Related Transactions*

Transactions With Related Parties

The Company extended advances to a stockholder which amounted to ₱2,042,076 and ₱2,584,892 of December 31, 2018 and 2017 respectively.

Transactions With Key Management Personnel:

The Company avails of the services rendered by lawyers who are also key management personnel of the Company. The related legal fees for 2018 amount to ₱875 thousand. These services are necessary for the continued operations of the Company at rates that are competitive in the industry. The services are expected to continue until a notice of termination is served by the Company.

(a) *Key management Personnel Compensation*

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

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

(c) Involvement in Certain Legal Proceedings

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

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

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

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

Item 6. Compensation of Directors and Executive Officers

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

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

(a) Directors' per diems

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

No other allowances and bonuses are given to Directors of the Corporation by reason of their position as director.

There are no arrangements with regard to any bonus, profit sharing, pension, retirement plan or the granting or extension of any option or warrant to Directors and Executive Officers.

The aggregate total compensation for the Chairman, the President and Directors of the Company is shown below as of 30 September 2019:

Name	Position	Year	Salary	Bonus	Per Diem
Antonio V.F. Gregorio III	Chairman	2019	-	-	5,263
		2018	-	-	26,315
		2017	-	-	16,667
		2016	-	-	36,111
Chi Ho Co	President	2019	-	-	5,263
		2018	-	-	15,789
		2017	-	-	16,667
		2016	-	-	22,222
Delfin S. Castro, Jr.	Treasurer	2019	-	-	-
		2018	-	-	15,789
		2017	-	-	16,667
		2016	-	-	22,222
Venus L. Gregorio	Corporate Secretary / CIO	2019	-	-	5,263
		2018	-	-	31,578
		2017	-	-	22,222
		2016	-	-	36,111
All other officers and directors as a group		2019	-	-	15,789
		2018	-	-	63,157
		2017	-	-	66,667
		2016	-	-	88,889

(b) Executive Compensation

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

Item 7. Independent Public Accountant

For 2019, the Company will seek shareholders' approval of the appointment of Punongbayan and Araullo (P&A) as the Company's external auditors. Mr. Christopher M. Ferareza will be the signing partner for P&A.

A representative from P&A will be present at the Annual Stockholders' Meeting with an opportunity to make a statement, if they so desire, and to respond to appropriate questions.

Mr. Christopher M. Ferareza was the signing partner from Punongbayan and Araullo who reviewed the Company's financial statements for 2018. For 2017, Mangay-ayam, Lim & Co. (MLCPA) reviewed the financial statements with Mr. Rodrigo M. Mangay-ayam as the signing partner.

P&A, was the Company's independent auditor from 2009 to 2016. Fees paid by the Company for audit services amounted to ₱400,000.00, ₱280,000.00 and ₱265,000.00 for 2018, 2017 and 2016, respectively.

In 2016, P&A was commissioned not only to conduct the annual audit of financial statements but also to prepare a special audit report to support the Company's application

for increase in authorized capital stock. Service fees amounted to ₱ 69,000.00. Also in the same year, MLCPA was appointed to process the increase in authorized capital stock of the company for a fee of ₱ 300,000.00

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

External Audit Fees and Services

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

	2018	2017	2016
Audit fees	₱ 400,000.00	₱ 280,000.00	₱ 265,000.00

Audit Committee

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

Member	Position
• Felixes G. Latonero	Chairman
• Chi Ho Co	Member
• Antonio Victoriano F. Gregorio III	Member

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

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

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

- a. Review and approve audit scope and frequency and the annual internal audit plan.
- b. Provide oversight over the senior management's activities in managing credit, market liquidity, operational, Legal and other risks of the Company. The function

shall include receiving from senior management periodic information on risk exposures and risk management activities.

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

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

- a. Recommend to the board of directors the selection of the external auditors among qualified and reputable audit firms, considering independence, effectiveness and professionalism.

- b. Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- c. Discuss with the external auditor before the audit commences the nature and scope of the audit and ensure coordination where more than one audit firm is involved.
- d. Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors. In performing this review, the committee will:
 - 1) At least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or per review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the company.
 - 2) Review and evaluate the lead partner of the independent auditor.
 - 3) Present its conclusions with respect to the external auditor to the Board.
- e. Ensure the rotation of the lead audit partner every five years and other audit partners, and consider whether there should be regular rotation of the audit firm itself.
- f. Periodically consult with the external auditors out of the presence of management about internal controls and fullness and accuracy of the company's financial statements.
- g. On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- h. Receive and review reports of external auditors and regulatory agencies, where applicable and ensure that management is taking appropriate corrective actions, in timely manner in addressing control and compliance functions with regulatory agencies.
- i. Pre-approve the engagement of the external auditor or other independent accountant to conduct any non-audit services to be performed during the year.
- j. Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to external auditor both in relation to their significance to the auditor and in relation to the Company's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report

Item 8. Compensation Plans

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

- a. *Financial and other Information*

1. The Audited Financial Statements as of 31 December 2018, Annual Report, and Unaudited Financial Statements 1st, 2nd and 3rd quarters of 2019 are hereto attached as Annexes "A", "B", "C", "D" and "E".
2. The Management Report and Plans of Operation are discussed in a separate section.
3. There are no changes in and disagreements with accountants on accounting and financial disclosure; and
4. Representatives of the principal accountants for the current year and for the most recently completed fiscal year:
 - (i) are expected to be present at the security holders' meeting;
 - (ii) will have the opportunity to make a statement if they desire to do so; and
 - (iii) are expected to be available to respond to appropriate questions

Item 9. Modification or Exchange of Securities

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

Item 10. Financial and Other Information

- A. *Stockholders are furnished the following information and documents:*
- The Audited Financial Statements of the Company for the fiscal year 2018 is attached to this Information Statement as Annex "A" and incorporated herein by reference as part of the Financial Report of Management for the fiscal year 2018.
 - During the Company's two (2) most recent fiscal years or any subsequent interim periods, the Company had no material disagreements with its external auditors, on accounting and financial disclosures.
 - Representatives of the Company's external auditors are expected to be present at the Annual Meeting and will have opportunity to make a statement, if they desire to do so, and are expected to be available to respond to appropriate questions.

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

Item 11. Mergers, Consolidations, Acquisitions and Similar Matters

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

Item 12. Acquisition or Disposition of Property

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

Item 13. Restatement of Accounts

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

3. OTHER MATTERS**Item 14. Action with Respect to Reports**

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

1. The Minutes of the Annual Stockholders' Meeting held on 13 December 2018, a copy of which is hereto attached as Annex "F".
2. Audited Financial Statements for the year ended 31 December 2018.
3. Annual report for the year 2018.

Item 15. Matters Not Required to be Submitted

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

Item 16. Other Proposed Actions

- (a) *Ratification of All Acts of Management and the Board of Directors for the period 13 December 2018 to the date of the Stockholders' Meeting*

Stockholders' approval and / or ratification is sought with respect to the following results of meeting, actions and reports of the Board of Directors and Management for the period 13 December 2018 to the date of the Stockholders' Meeting :

Date	Results of Meeting, Action and Report																
13 December 2018	<p>Result of the Annual Stockholders' Meeting:</p> <ol style="list-style-type: none">1. Approval of the Minutes of the Annual Stockholders' Meeting held on 18 December 2017.2. Adoption of the Audited Financial Statements and Annual Reports for the calendar year ended 31 December 2017.3. Annual Report of the President / Chairman.4. Election of the following directors: <table border="1"><thead><tr><th>Director</th><th>Nationality</th></tr></thead><tbody><tr><td>Antonio Victoriano F. Gregorio III</td><td>Filipino</td></tr><tr><td>Chi Ho Co</td><td>Filipino</td></tr><tr><td>Delfin S. Castro, Jr.</td><td>Filipino</td></tr><tr><td>Richard N. Palou</td><td>Filipino</td></tr><tr><td>Ramoncito B. Cabalu</td><td>Filipino</td></tr><tr><td>Felixes G. Latonero (Independent Director)</td><td>Filipino</td></tr><tr><td>Manuel G. Ong (Independent Director)</td><td>Filipino</td></tr></tbody></table>	Director	Nationality	Antonio Victoriano F. Gregorio III	Filipino	Chi Ho Co	Filipino	Delfin S. Castro, Jr.	Filipino	Richard N. Palou	Filipino	Ramoncito B. Cabalu	Filipino	Felixes G. Latonero (Independent Director)	Filipino	Manuel G. Ong (Independent Director)	Filipino
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Manuel G. Ong (Independent Director)	Filipino																

	<p>Messrs. Latonero and Ong submitted their credentials to support their qualifications for the positions of Independent Directors. The Company adopts SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and compliance therewith has been made. The Company always undertakes to abide by the existing</p> <p>SRC Rule 38 on the required number of independent directors subject to any revision that may be prescribed by the SEC.</p> <p>5. Approval of all acts of the Board of Directors and Management for the period covered from the last Annual Stockholders Meeting of the Corporation held on 18 December 2017 to the date of the 2018 Annual Stockholders Meeting.</p> <p>6. Appointment of Punongbayan and Araullo as the Company's external auditor for 2018.</p>																																																
13 December 2018	<p>At the organizational meeting of the Board of Directors the following transpired:</p> <p>1. Election of the officers of the Corporation:</p> <table border="1"> <tr><td>Chairman</td><td>Antonio Victoriano F. Gregorio III</td></tr> <tr><td>President</td><td>Chi Ho Co</td></tr> <tr><td>Treasurer & CFO</td><td>Delfin S. Castro, Jr.</td></tr> <tr><td>Corporate Secretary, Corporate Information Officer & Compliance Officer</td><td>Venus L. Gregorio</td></tr> <tr><td>Investors' Relations Officer</td><td>Richard William N. Palou</td></tr> </table> <p>2. Appointment of members to the following Committees:</p> <table border="1"> <thead> <tr><th colspan="2">Executive Committee</th></tr> </thead> <tbody> <tr><td>Antonio Victoriano F. Gregorio III</td><td>Chairman</td></tr> <tr><td>Richard N. Palou</td><td>Member</td></tr> <tr><td>Chi Ho Co</td><td>Member</td></tr> <tr><td>Felixes G. Latonero</td><td>Member</td></tr> </tbody> </table> <table border="1"> <thead> <tr><th colspan="2">Governance Committee</th></tr> </thead> <tbody> <tr><td>Felixes G. Latonero</td><td>Chairman</td></tr> <tr><td>Manuel G. Ong</td><td>Member</td></tr> <tr><td>Richard N. Palou</td><td>Member</td></tr> </tbody> </table> <table border="1"> <thead> <tr><th colspan="2">Nominations Committee</th></tr> </thead> <tbody> <tr><td>Antonio Victoriano F. Gregorio III</td><td>Chairman</td></tr> <tr><td>Chi Ho Co</td><td>Member</td></tr> <tr><td>Felixes G. Latonero</td><td>Member</td></tr> </tbody> </table> <table border="1"> <thead> <tr><th colspan="2">Audit Committee</th></tr> </thead> <tbody> <tr><td>Felixes G. Latonero</td><td>Chairman</td></tr> <tr><td>Chi Ho Co</td><td>Member</td></tr> <tr><td>Antonio Victoriano F. Gregorio III</td><td>Member</td></tr> </tbody> </table> <table border="1"> <thead> <tr><th colspan="2">Compensation Committee</th></tr> </thead> <tbody> <tr><td>Felixes G. Latonero</td><td>Chairman</td></tr> </tbody> </table>	Chairman	Antonio Victoriano F. Gregorio III	President	Chi Ho Co	Treasurer & CFO	Delfin S. Castro, Jr.	Corporate Secretary, Corporate Information Officer & Compliance Officer	Venus L. Gregorio	Investors' Relations Officer	Richard William N. Palou	Executive Committee		Antonio Victoriano F. Gregorio III	Chairman	Richard N. Palou	Member	Chi Ho Co	Member	Felixes G. Latonero	Member	Governance Committee		Felixes G. Latonero	Chairman	Manuel G. Ong	Member	Richard N. Palou	Member	Nominations Committee		Antonio Victoriano F. Gregorio III	Chairman	Chi Ho Co	Member	Felixes G. Latonero	Member	Audit Committee		Felixes G. Latonero	Chairman	Chi Ho Co	Member	Antonio Victoriano F. Gregorio III	Member	Compensation Committee		Felixes G. Latonero	Chairman
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Delfin S. Castro, Jr.	Member					
Richard N. Palou	Member					
5 April 2019	<p>Meeting of the Board of Directors where the following were approved and ratified:</p> <ol style="list-style-type: none"> 1. Board Approval of the final draft of the Annual Audited Financial Statements and Annual Report for the year ended 31 December 2018. 2. Postponement of the Annual Stockholders' Meeting scheduled to be held on 2nd Thursday of May to a specific date and time to be determined by the President and / or Chairman. 					

Item 17. Voting Procedures

(a) Vote Required for Approval

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

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

(b) Method by which votes will be counted

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

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

The Registrant will, without charge to any Shareholder entitled to notice and to vote, provide a copy of the Registrant's Annual Report or SEC Form 17-A, upon the written request of any such Shareholder to the Corporate Secretary, Lodestar Investment Holdings Corporation, 7th Floor, Peaksun Bldg., Princeton St. cor. Shaw Blvd., Wackwack, Mandaluyong City.

PART III.

SIGNATURE PAGE

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

This report is signed in Quezon City on 4 November 2019.

**LODESTAR INVESTMENT
HOLDINGS CORPORATION**

By:



Venus L. Gregorio
Corporate Secretary

Management Report

A. Management Discussion and Analysis and Plan of Operation

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

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

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

Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares were issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱0.10) per share.

On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in the meeting.

Meantime, in line with the primary purpose of the Company as a holdings corporation, business outlook for 2018 and 2019 is geared towards looking for other business ventures. Thus, the Company may again tap into various sources to look for opportunities in the various business sectors that are viable, growing and profitable. The Company's strategy will be to invest-buy-in or acquire businesses where the Company will at least own a significant stake or interest of the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

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

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

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

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

B. Description of Property

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

FINANCIAL CONDITION

**Third Quarter 2019
(Unaudited Financial Statements)**

Revenues

The Company did not earn any revenue during the nine-month period ended September 30, 2019 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₦ 14.25 thousand or 2.60% from ₦ 547.55 thousand in September 2018 to ₦ 533.30 thousand in September 2019. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 491.65 thousand for the interim period ended September 2019 which is 2.95% or ₦ 14.92 thousand lower as compared to net loss of ₦ 506.57 thousand incurred for the same period in 2018.

Financial Condition

The Company's Total Assets comprising of Current Assets amount to ₦ 240.21 million which is 0.52% or ₦ 1.26 million lower than that of September 30, 2018 balance amounting to ₦ 241.46 million.

The Company's Total Liabilities decreased by ₦ 1.03 million or 98.51% from ₦ 1.05 million in September 2018 to ₦ 15.62 thousand in September 2019.

Stockholders' equity posted a 0.09% or ₦ 225.99 thousand decrease from ₦ 240.42 million in September 2018 to ₦ 240.19 million in September 2019, attributable mainly to lesser expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of September 30, 2019 as compared with pro-forma Balance Sheet as of September 30, 2018 (increase/decrease of 5 % or more)

13.71 % or ₦ 280 thousand decrease in advances to a stockholder from ₦ 2.04 million in September 2018 to ₦ 1.76 million in September 2019. This is due to collections received in 2019.

98.51% or ₦ 1.03 million decrease in liabilities from ₦ 1.05 million in September 2018 to ₦ 15.62 thousand in September 2019 due to partial settlement of payables.

Key Performance Indicators

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

	September 30, 2019	September 30, 2018
Current Ratio (1)	15,375.13x	230.23x
Quick Ratio (2)	15,049.20x	225.20x
Debt-equity ratio (3)	0.000065x	0.004x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

(1) Current Assets / Current Liabilities

<i>September 2019</i>	<i>(₦ 240,205,674 / ₦ 15,623)</i>
<i>September 2018</i>	<i>(₦ 241,464,842 / ₦ 1,048,806)</i>

(2) Cash / Current Liabilities

<i>September 2019</i>	<i>(₦ 235,113,717 / ₦ 15,623)</i>
<i>September 2018</i>	<i>(₦ 236,187,240 / ₦ 1,048,806)</i>

(3) Debt / Equity

<i>September 2019</i>	<i>(₦ 15,623 / ₦ 240,190,051)</i>
<i>September 2018</i>	<i>(₦ 1,048,806 / ₦ 240,416,036)</i>

(4) Equity /Subscribed Shares

<i>September 2019</i>	<i>(₦ 240,190,051 / 3,000,000,000)</i>
<i>September 2018</i>	<i>(₦ 240,416,036 / 3,000,000,000)</i>

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

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

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

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

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

Additional Financial Soundness Indicators

	September 30, 2019	September 30, 2018
Asset to equity (1)	1.00x	1.00x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) *Total Assets / Total Equity*
 September 2019 (**P 240,205,674 / P240,190,051**)
 September 2018 (**P 241,464,842 / P240,416,036**)

(2) *Income before Interest and Taxes / Interest Expense*
 September 2019 N/A
 September 2018 N/A

(3) *Gross Profit / Sales*
 September 2019 N/A
 September 2018 N/A

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

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

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

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- e) There are no significant elements of income or loss that did not arise from the Company's continuing operations;

- f) No seasonal or cyclical factor that affected this quarter's interim operations.

Second Quarter 2019 (Unaudited Financial Statements)

Revenues

The Company did not earn any revenue during the six-month period ended June 30, 2019 as it has not undertaken commercial operations.

Expenses

Expenses went up by ₦ 2.28 thousand or 0.47% from ₦ 481.51 thousand in June 2018 to ₦ 483.80 thousand in June 2019. The increase was attributed mainly to higher expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 442.33 thousand for the interim period ended June 2019 which is 0.38% or ₦1.66 thousand higher as compared to net loss of ₦ 440.67 thousand incurred for the same period in 2018.

Financial Condition

The Company's Total Assets comprising of Current Assets in June 2019 amounting to ₦ 240.26 million which is 0.53% or ₦ 1.27 million lower than that of June 30, 2018 balance amounting to ₦241.53 million.

The Company's Total Liabilities decreased by ₦ 1.03 million or 97.66% from ₦1.05 million in June 2018 to ₦ 24.6 thousand in June 2019.

Stockholders' equity posted a 0.10% or ₦ 242.57 thousand decrease from ₦240.48 million in June 2018 to ₦240.24 million in June 2019, attributable mainly to expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of June 30, 2019 as compared with pro-forma Balance Sheet as of June 30, 2018 (increase/decrease of 5 % or more)

17.2 % or ₦ 366 thousand decrease in advances to a stockholder from ₦ 2.13 million in June 2018 to ₦1.76 million in June 2019. This is due to collections received in 2019.

97.66% or ₦ 1.03 million decrease in liabilities from ₦ 1.05 million in June 2018 to ₦ 24.6 thousand in June 2019 due to partial settlement of payables.

Key Performance Indicators

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

	June 30, 2019	June 30, 2018
Current Ratio (1)	9,767.62x	229.98x
Quick Ratio (2)	9,560.63x	224.87x
Debt-equity ratio (3)	0.0001x	0.0043x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

(1) Current Assets / Current Liabilities	
June 2019	(₱ 240,263,970 / ₱ 24,598)
June 2018	(₱ 241,532,188 / ₱ 1,050,245)
(2) Cash / Current Liabilities	
June 2019	(₱ 235,172,373 / ₱ 24,598)
June 2018	(₱ 236,169,155 / ₱ 1,050,245)
(3) Debt / Equity	
June 2019	(₱ 24,598 / ₱ 240,239,372)
June 2018	(₱ 1,050,245 / ₱ 240,481,943)
(4) Equity /Subscribed Shares	
June 2019	(₱ 240,239,372 / 3,000,000,000)
June 2018	(₱ 240,841,943 / 3,000,000,000)

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

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

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

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

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

Additional Financial Soundness Indicators

	June 30, 2019	June 30, 2018
Asset to equity (1)	1.00x	1.00x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) Total Assets / Total Equity	
June 2019	(₱ 240,263,970 / ₱ 240,239,372)
June 2018	(₱ 241,532,188 / ₱ 240,481,943)
(2) Income before Interest and Taxes / Interest Expense	
June 2019	N/A
June 2018	N/A
(3) Gross Profit / Sales	
June 2019	N/A
June 2018	N/A

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

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

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

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- f) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- g) No seasonal or cyclical factor that affected this quarter's interim operations.

First Quarter 2019 **(Unaudited Financial Statements)**

Revenues

The Company did not earn any revenue during the three-month period ended March 31, 2019 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₦ 1.39 thousand or 0.35% from ₦ 400 thousand in March 2018 to ₦ 398 thousand in March 2019. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 357.23 thousand for the interim period ended March 2019 which is 0.53% or ₦1.91 thousand lower as compared to net loss of ₦ 359.14 thousand incurred for the same period in 2018.

Financial Condition

The Company's Total Assets comprising of Current Assets amount to ₦ 240.77 million which is 0.35% or ₦ 846 thousand lower than that of March 31, 2018 balance amounting to ₦241.61 million.

The Company's Total Liabilities decreased by ₦ 607 thousand or 57.80% from ₦1.05 million in March 2018 to ₦ 443 thousand in March 2019.

Stockholders' equity posted a 0.10% or ₦ 238.99 thousand decrease from ₦240.56 million in March 2018 to ₦240.32 million in March 2019, attributable mainly to expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of March 31, 2019 as compared with pro-forma Balance Sheet as of March 31, 2018 (increase/decrease of 5 % or more)

19.1 % or ₦ 416 thousand decrease in advances to a stockholder from ₦ 2.18 million in March 2019 to ₦1.76 million in March 2018. This is due to collections received in 2019.

57.86% or ₦ 607 thousand decrease in liabilities from ₦ 1.05 million in March 2018 to ₦ 442 thousand in March 2019 due to partial settlement of payables.

Key Performance Indicators

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

	March 31, 2019	March 31, 2018
Current Ratio (1)	543.31x	230.07x
Quick Ratio (2)	531.79x	224.91x
Debt-equity ratio (3)	0.0018x	0.004x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

(1) Current Assets / Current Liabilities

March 2019	(₦ 240,767,622 / ₦ 443,152)
March 2018	(₦ 241,613,644/ ₦ 1,050,179)

(2) Cash / Current Liabilities

March 2019	(₦ 235,664,316 / ₦ 443,152)
March 2018	(₦ 236,200,664/ ₦ 1,050,179)

(3) Debt / Equity

March 2019	(₦ 443,152/ ₦240,324,471)
March 2018	(₦1,050,178/ ₦240,563,466)

(4) Equity /Subscribed Shares

March 2019	(₦240,324,471/3,000,000,000)
March 2018	(₦240,563,466/3,000,000,000)

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

The Quick Ratio is another measure of a company's liquidity. It is used to measure a company's ability to pay its liabilities using assets that are cash or very liquid. Since the Company does not have any marketable securities and accounts receivables, the computation

of this ratio was based on cash alone. Quick ratio for the current period is higher as compared to the same period of last year.

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

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

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

Additional Financial Soundness Indicators

	March 31, 2019	March 30, 2018
Asset to equity (1)	1.00x	1.00x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) Total Assets / Total Equity

March 2019	(₱ 240,767,622 / ₱ 240,324,471)
March 2018	(₱ 241,613,644 / ₱ 240,563,465)

(2) Income before Interest and Taxes / Interest Expense

March 2019	N/A
March 2018	N/A

(3) Gross Profit / Sales

March 2019	N/A
March 2018	N/A

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

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

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

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;

- c) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
 - i) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
 - i) No seasonal or cyclical factor that affected this quarter's interim operations.

Full Fiscal Years

Key Financial Indicator	Year 2018	Year 2017	Year 2016
Revenues	2,216,426	1,066,520	154,114
Cost and Expenses	2,457,333	2,763,403	2,435,685
Other Losses	-	-	1,108,560
Net Income (Loss)	(240,907)	(1,696,883)	(3,390,131)
Current Assets	242,830,077	241,970,827	95,204,724
Current Liabilities	2,148,376	1,048,219	1,585,233
Total Assets	242,830,077	241,970,827	95,204,724
Total Liabilities	2,148,376	1,048,219	1,585,233
Stockholders' Equity	240,681,701	240,922,608	93,619,491
Current Ratio	113.03	230.84	60.06
Current Assets / Current Liabilities	242,830,077 / 2,148,376	241,970,827 / 1,048,219	95,204,724 / 1,585,233
Debt to Equity Ratio	0.009	0.004	0.017
Total Liabilities/Stockholders' Equity	2,148,376 / 240,681,701	1,048,219 / 240,922,608	1,585,233 / 93,619,491
Return on assets	NA	NA	NA
Net Income / Total Assets			
Earnings (Loss) Per Share	(0.000)	(0.001)	(0.003)
Net Income (Loss) /No. of shares outstanding	(240,907)/ 3,000 B	(1,696,883)/ 3,000 B	(3,390,131)/ 1,000 B

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

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

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

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

Calendar Year 2018

For 2018, Lodestar has yet to undertake commercial operations, hence, reported losses in 2018 amount to ₦0.24 million. For the next twelve months, the proceeds from its private placements will provide the Company with investable funds and working capital for prospective projects.

Proceeds of the increase of capital stock via private placements approved on June 14, 2017 by the Securities and Exchange Commission will be used for investments into corporate undertakings or businesses though these are still not yet definite or identified as of date, hence, no acquisition or combination has resulted from, or accompanies the transactions.

The private placement transactions resulted to a 0.60 % or ₦ 1.31 million increase in cash from ₦ 236.18 million in Dec. 31, 2017 to ₦ 237.49 million in Dec. 31, 2018.

There was a 21.0% or ₦ 542.82 thousand net decrease in related party transactions due to partial collection.

There was a 2.80% or ₦89.66 thousand increase in other current assets due to increase in input tax.

There was a 105% or ₦ 1.00 million net increase in liabilities due to accrual of legal and audit fees.

There was an increase of ₦ 240.91 thousand in deficits mainly due to net loss incurred during the year.

For 2018, interest income of ₦2.22 million was 107.80% or ₦1.15 million higher as compared to 2017 interest income of only ₦ 1.07 million due to substantial increase in cash brought about by the private placement transaction.

Cost and expenses of ₦ 2.46 million was 11.08% or ₦306.07 thousand lower as compared to 2017 operating expenses of ₦ 2.76 million. The decrease is mainly attributable to cost of documentary stamp tax and filing fees paid relative to the increase in authorized capital stock in 2017.

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 2017

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Calendar Year 2016

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. Market Price, Shareholders and Dividend Information

(1) Market Price Information

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

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

Period	High	Low
1 st Quarter 2017	1.36	0.93
2 nd Quarter 2017	1.19	0.97
3 rd Quarter 2017	1.07	0.86
4 th Quarter 2017	0.89	0.60
1 st Quarter 2018	0.80	0.62
2 nd Quarter 2018	0.68	0.52
3 rd Quarter 2018	0.71	0.52
4 th Quarter 2018	0.59	0.48
1 st Quarter 2019	0.75	0.51
2 nd Quarter 2019	0.65	0.46
3 rd Quarter 2019	0.56	0.47

On 31 October 2019, the stock of the Corporation opened at ₱.51 per share, had a high of ₱.51 per share and a low of ₱.49 per share. The stock closed at ₱.51 per share with a volume of 165,000 shares traded in the market.

(2) Shareholders Information

The top shareholders of the Corporation as of 30 September 2019 are as follows:

Shareholder	Nationality	Number of Shares	Percentage of Ownership
Socorro P. Lim	Filipino	2,000,000,000	66.67%
PCD Nominee Corporation	Filipino	629,910,429 ¹	20.997%
Nathaniel C. Go	Filipino	260,000,000	8.667%

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

Please find below the top 20 stockholders of the Company as of 30 September 2019.

	STOCKHOLDER	NATIONALITY	TOTAL SHARES	PERCENTAGE OF OWNERSHIP (%)
1	SOCORRO P. LIM	FILIPINO	2,000,000,000	66.67
2	PCD NOMINEE CORPORATION - FILIPINO	FILIPINO	629,910,429	20.997
3	NATHANIEL C. GO	FILIPINO	260,000,000	8.667
4	JERRY C. ANGPING	FILIPINO	165,977,000 ²	5.53
5	RENATO L. REYES	FILIPINO	72,000,000	2.40
6	RAMON L. ABAD JR.	FILIPINO	28,000,000	0.93
7	PCD NOMINEE CORPORATION - NON FILIPINO	OTHERS	2,580,011	0.93
8	JONES R. CASTRO	FILIPINO	1,700,000	0.05
9	RENATO LUMAGUE	FILIPINO	600,000	0.017
10	JOAQUIN CORPUS	FILIPINO	500,000	0.017
11	JOEL S. DIAZ	FILIPINO	500,000	0.017
12	WILLIAM T. ENRILE &/OR WILLIAM R. ENRILE II &/OR NELLY R. ENRILE	FILIPINO	500,000	0.013
13	ROSS W. GARLING	OTHERS	400,000	0.10
14	JOSE DE PERALTA	FILIPINO	300,000	0.10
15	JOVENAL GONZALES	FILIPINO	300,000	0.10
16	JOHN T. MESINA	FILIPINO	300,000	0.10
17	CESAR HABLERO	FILIPINO	160,000	0.005
18	WILLIAM STONE	OTHERS	100,010	0.003

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

19	REUBEN L. ALDERSON	OTHERS	100,000	0.003
20	AROROY MUNICIPAL COUNCIL EDUCATIONAL FUND	FILIPINO	100,000	0.003

(3) Dividend Information

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

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

There were no sales of unregistered or exempt securities or issuance of securities constituting an exempt transaction for 2018 – 2019.

D. Compliance with Leading Practices on Corporate Governance

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

On 28 May 2019, the company filed the 2018 Integrated Annual Corporate Governance Report with the SEC.

Likewise, in compliance with SEC Memorandum Circular No. 20 Series of 2013, the following Directors and Officers attended the Corporate Governance Seminar conducted by Risks, Opportunities, Assessment and Management (ROAM), Inc. on 7 December 2018 at The Rockwell Club, Rockwell Center, Makati City.

Name	Position
Antonio Victoriano F. Gregorio III	Chairman
Delfin S. Castro, Jr.	Treasurer
Venus L. Gregorio	Corporate Secretary and CIO
Ramoncito B. Cabalu	Director
Richard N. Palou	Director
Felices G. Latonero	Independent Director

PART III – FINANCIAL INFORMATION

Business Plan

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

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

The SEC approved of the Company's increase in its Authorized Capital Stock on 14 June 2017. In its disclosure to the Philippine Stock Exchange on 15 June 2017, the Company stated that the funds raised are intended for maintenance costs to sustain the listing status of the Company as well as for investments in businesses and undertakings which the board of directors will deem beneficial for the Company. Details of such prospective projects and business will be properly disclosed when definitive agreements for such are reached.

Financial Statements

The Company's Annual Financial Statements for 2018 together with the notes thereto are attached together with the First, Second and Third Quarters financial statements for 2019.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company's External Auditor for calendar year 2018 was Punongbayan and Araullo.

In compliance with the BIR RMC No. 36-2016 and Professional Regulatory Board of Accountancy Resolution No. 03 Series of 2016, the financial statements and notes thereto for the calendar year ended 31 December 2018 were prepared by the Issuer's Interim Accountant. There were no disagreements with Accountants on accounting and financial disclosure.

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

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

A. (1) Directors and Executive Officers

As of 30 September 2019, the Board of Directors and Executive Officers of the company consist of the following individuals:

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

(2) Significant Employees

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

(3) Family Relationships

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

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

(4) Involvement in Certain Legal Proceedings

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

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

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

The Registrant will, without charge to any Shareholder entitled to notice and to vote, provide a copy of the Registrant's Annual Report or SEC Form 17-A, upon the written request of any such Shareholder to the Corporate Secretary, Lodestar Investment Holdings Corporation, 7th Floor, Peaksun Bldg., Princeton St. cor. Shaw Blvd., Wackwack, Mandaluyong City.



An instinct for growth™

Financial Statements and
Independent Auditors' Report

Lodestar Investment Holdings Corporation

December 31, 2018

(*With Comparative Figures for 2017 and 2016*)



Report of Independent Auditors

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

T +63 2 988 2288

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

Report on the Audit of the Financial Statements

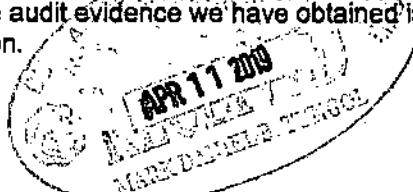
Opinion

We have audited the financial statements of Lodestar Investment Holdings Corporation (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as the comparative figures for the year ended December 31, 2016, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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



Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which indicates that the Company has no commercial operations and it has a deficit as at December 31, 2018 and 2017. As stated in Note 1, this condition indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In response to this matter, the Company has started implementing its capital raising plans by issuance of its remaining unissued shares amounting to P26.0 million in October 2016; increasing its authorized capital stock; and, issuance of P200.0 million shares of stock to a new investor in 2017. These provided the Company investable funds and working capital for prospective projects, and it is now looking for opportunities in various business sectors that are viable, growing and profitable. Accordingly, the accompanying financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of business. In connection with our audit, we have performed adequate audit procedures to verify the assumptions used by management in assessing the Company's ability to continue as a going concern. Our opinion is not modified in respect of the foregoing matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report other than the matter described in the *Material Uncertainty Related to Going Concern* section.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's definitive information statement, SEC Form 17-A, but of which do not include the financial statements and our auditors' report thereon and the annual report. The definitive information statement, SEC Form 17-A and annual report are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other Matters

The Company's financial statements as of and for the year ended December 31, 2017 were audited by other auditors whose report dated April 5, 2018, expressed an unqualified opinion on those financial statements prior to restatement. As part of our audit of the 2018 financial statements, we have also audited the adjustments that were applied to restate the 2017 financial statements of the Company.



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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

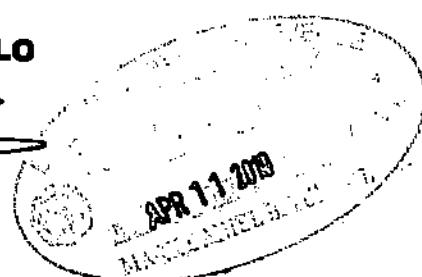
Report on Other Legal and Regulatory Requirements

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, 2018 required by the Bureau of Internal Revenue as disclosed in Note 16 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 PFRS. Such supplementary information is the responsibility of 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.

The engagement partner on the 2018 audit resulting in this independent auditors' report is Christopher M. Ferarezza.

PUNONGBAYAN & ARAULLO

By: **Christopher M. Ferarezza**
Partner



CPA Reg. No. 0097462
TIN 184-595-875
PTR No. 7333693, January 3, 2019, Makati City
SEC Group A Accreditation
Partner - No. 1185-AR-2 (until May 8, 2021)
Firm - No. 0002-FR-5 (until Mar. 28, 2021)
BIR AN 08-002511-34-2017 (until Jun. 19, 2020)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

April 5, 2019

LODESTAR INVESTMENT HOLDINGS CORPORATION

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

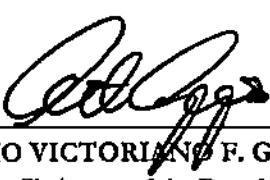
The management of Lodestar Investment Holdings Corporation (the Company) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2018 and 2017 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Punongbayan and Araullo, and Mangay-ayam, Lim and Co., CPA's, the independent auditors appointed by the stockholders, have audited the financial statements of the Company in December 31, 2018 and 2017, respectively, in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


ANTONIO VICTORIANO F. GREGORIO III
Chairman of the Board


CHI HO CO
President


DELFIN S. CASTRO, JR.
Chief Financial Officer

Signed this 5th day of April 2019.

SUBSCRIBED AND SWORN to before me this 11 APR 2019 day of April 2019 at Mandaluyong City.

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

Doc No.: 60
Page No.: 17
Book No.: 14
Series of 2019

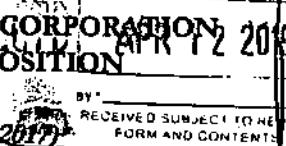
ATTY. JUAN JAIMIE D. NOLASCO
NOTARY PUBLIC UNTIL DEC. 31, 2010
IDP NO. 047509 - 1/3/13 - RIZAL
PTN NO. 38969C3 - 1/3/2019 - MAND. CITY
ROLL NO. 60630 / MOLE NO. V0017168 / 3/21/16
UNIT 3F CSV BLDG. MAYSILo CIRCLE
BRGY. PLAINVIEW MAND. CITY

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018

(With Comparative Figures for 2017)

(Amounts in Philippine Pesos)



	<u>Notes</u>	<u>2018</u>	2017 (As restated - see Note 11)
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	7	P 237,494,282	P 236,181,874
Advances to a stockholder	10	2,042,076	2,584,892
Other current assets	8	3,293,719	3,204,061
TOTAL ASSETS		P 242,830,077	P 241,970,827
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	9	P 2,148,376	P 1,048,219
EQUITY			
Capital stock	11	300,000,000	300,000,000
Additional paid-in capital		65,714,858	65,714,858
Deficit		(125,033,157)	(124,792,250)
Net Equity		240,681,701	240,922,608
TOTAL LIABILITIES AND EQUITY		P 242,830,077	P 241,970,827

See Notes to Financial Statements.

APR 11 2019

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018
(With Comparative Figures for 2017 and 2016)
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2018</u>	2017 (As restated - see Note 11)	<u>2016</u>
REVENUE		<u>P</u>	<u>P</u>	<u>P</u>
EXPENSES				
Legal fees	10	875,000	840,000	820,000
Professional fees		618,000	733,540	785,100
Membership dues		256,000	258,000	253,000
Directors' fees		152,632	138,889	205,556
Printing and office supplies		46,805	70,175	46,023
Representation and entertainment		25,929	42,806	26,280
Taxes and licenses	16	15,174	15,444	144,724
Listing and filing fees		7,575	422,585	
Impairment loss	8			1,108,560
Transportation and travel				2,090
Depreciation				218
Miscellaneous		<u>16,933</u>	<u>28,657</u>	<u>121,871</u>
		<u>2,014,048</u>	<u>2,550,096</u>	<u>3,513,422</u>
OPERATING LOSS		2,014,048	2,550,096	3,513,422
FINANCE INCOME	7	<u>2,216,426</u>	<u>1,066,520</u>	<u>154,114</u>
PROFIT (LOSS) BEFORE TAX		<u>202,378</u>	(1,483,576)	(3,359,308)
TAX EXPENSE	13	<u>443,285</u>	<u>213,307</u>	<u>30,823</u>
NET LOSS		<u>240,907</u>	<u>1,696,883</u>	<u>3,390,131</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS		F 240,907	P 1,696,883	P 3,390,131
LOSS PER SHARE	12	P 0.0001	P 0.0007	P 0.0034

See Notes to Financial Statements.



LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018
(With Comparative Figures for 2017 and 2016)
(Amounts in Philippine Pesos)

Notes	Capital Stock (Note 11)	Additional Paid-in Capital (Note 11)	Deposit for Future Stock Subscription (Note 11)	Deficit (Note 2)	Total
Balance at January 1, 2018					
As previously reported	P 300,000,000	P 66,714,858	P -	(P 125,792,250)	P 240,922,608
Effect of prior period adjustment	2 -	(1,000,000)	- -	1,000,000	- -
As restated	300,000,000	65,714,858	- -	(124,792,250)	240,922,608
Total comprehensive loss for the year	- -	- -	- -	(240,907)	(240,907)
Balance at December 31, 2018					
	P 300,000,000	P 65,714,858	P -	(P 125,033,157)	P 240,681,701
Balance at January 1, 2017					
Transactions with stockholders:					
Subscription and issuance of shares	P 100,000,000	P 66,714,858	P 50,000,000	(P 123,095,367)	P 93,619,491
Transaction cost	11 2 -	(200,000,000)	(50,000,000)	- -	150,000,000
	- -	(1,000,000)	- -	(1,000,000)	(1,000,000)
Total comprehensive loss for the year	- -	- -	- -	(1,696,883)	(1,696,883)
Balance at December 31, 2017					
	P 300,000,000	P 65,714,858	P -	(P 124,792,250)	P 240,922,608
Balance at January 1, 2016					
Transactions with stockholders:					
Subscription and issuance of shares	P 74,000,000	P 66,714,858	P -	(P 119,705,236)	P 21,009,622
Deposit for future subscription	26,000,000	- -	- -	- -	26,000,000
	- -	- -	50,000,000	- -	50,000,000
Total comprehensive loss for the year	- -	- -	- -	(3,390,131)	(3,390,131)
Balance at December 31, 2016					
	P 100,000,000	P 66,714,858	P 50,000,000	(P 123,095,367)	P 93,619,491

See Notes to Financial Statements.

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018
(With Comparative Figures for 2017 and 2016)
(Amounts in Philippine Pesos)

	Notes	2018	2017 (As restated - see Note 11)	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		P 202,378	(P 1,483,576)	(P 3,359,308)
Adjustments for:				
Interest income	7	(2,216,426)	(1,066,520)	(154,114)
Depreciation		-	-	218
Operating loss before working capital changes		(2,014,048)	(2,550,096)	(3,513,204)
Decrease (increase) in other current assets		(89,658)	3,390,975	998,256
Increase (decrease) in accounts payable and accrued expenses		1,100,157	(537,014)	36,753
Cash generated (used in) operations		(1,003,549)	303,865	(2,478,195)
Cash paid for final taxes	13	(443,285)	(213,307)	(30,823)
Net Cash From (Used) in Operating Activities		(1,446,834)	90,558	(2,509,018)
CASH FLOWS FROM INVESTING ACTIVITY				
Interest received		2,216,426	1,066,520	154,114
CASH FLOWS FROM FINANCING ACTIVITIES				
Collection (advances) from a stockholder - net	10	542,816	(727,816)	-
Proceeds from issuance of shares - net	11	-	149,000,000	26,000,000
Deposit for future stock subscription	11	-	-	50,000,000
Net Cash From Financing Activities		542,816	148,272,184	76,000,000
NET INCREASE IN CASH				
CASH AT BEGINNING OF YEAR		1,312,408	149,429,262	73,645,096
CASH AT END OF YEAR		P 237,494,282	P 236,181,874	P 86,752,612

See Notes to Financial Statements.

LODESTAR INVESTMENT HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2018
(With Comparative Figures for 2017 and 2016)
(Amounts in Philippine Pesos)

1. CORPORATE MATTERS

1.1 Corporate Information

Lodestar Investment Holdings Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 3, 1974. Its shares are listed for trading at the Philippine Stock Exchange (PSE). The Company's primary purpose is to engage in investment activities as an investment holding company. However, it has no commercial operations at present (see Note 1.2).

The Company's principal place of business is located at 7th Floor, Peaksun Bldg., 1505 Princeton St., corner Shaw Blvd., Wack Wack Greenhills East, Mandaluyong City.

1.2 Status of Operations

As indicated in Note 1.1, the Company has no commercial operations; hence, it continues to incur losses. It incurred net losses of P240,907 in 2018, P1,696,883 in 2017 and P3,390,131 in 2016, which further increased its deficit of P124,792,250 as at December 31, 2017 to P125,033,157 as at December 31, 2018. This condition indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In response to this matter, the Company has started implementing its capital raising plans by (1) issuance of its remaining unissued shares amounting to P26.0 million in October 2016; (2) increasing its authorized capital stock, which was approved by the SEC on June 14, 2017 (see Note 11.1); and, (3) issuance of P200.0 million shares of stock to a new investor in 2017 (see Note 11.1). These provided the Company investable funds and working capital for prospective projects, and it is now looking for opportunities in various business sectors that are viable, growing and profitable. Accordingly, the financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

1.3 Approval of Financial Statement

The financial statement of the Company as at and for the year ended December 31, 2018 (including the comparative financial statements as at December 31, 2017 and for the years ended December 31, 2017 and 2016) were authorized for issue by the Company's Board of Directors on April 5, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These 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 and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, 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, expenses and other comprehensive income in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

In 2018, the Company restated certain accounts in the comparative financial statements for December 31, 2017 to properly record stock issuance cost (see Note 11.2). This did not affect prior years; hence, a third statement of financial position is not required.

(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 2018 that are Relevant to the Company

The Company adopted for the first time the following PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2018:

PFRS 9 (2014)	:	Financial Instruments
PFRS 15	:	Revenue from Contracts with Customers; Clarification to PFRS 15

Following are the relevant information about these standards and amendments:

(i) PFRS 9, *Financial Instruments* (issued in 2014). This new standard on financial instruments will replace PAS 39, *Financial Instruments: Recognition and Measurement*, and PFRS 9 issued in 2009, 2010 and 2013. This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments, i.e., financial assets at amortized costs, fair value through profit and loss (FVTPL), and fair value through other comprehensive income (FVOCI);
- an expected credit loss (ECL) model in determining impairment of all debt financial assets that are not measured at FVTPL, which generally depends on whether there has been a significant increase in credit risk since initial recognition of such financial assets; and,
- a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

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 arrangements, 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 amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

In 2018, the Company adopted PFRS 9, which was applied using the transitional relief allowed by the standard. This allows the Company not to restate its prior periods' financial statements. However, no significant impact was noted by the Company, both in relation to the classification and measurement of its financial asset as of December 31, 2018 and January 1, 2018.

The Company's adoption of PFRS 9 did not result in significant adjustments to the financial statements of the Company because its financial assets, which pertain solely to cash and advances to a stockholder, and its financial liabilities are still carried at amortized cost.

This was applied retrospectively; hence, the policies applicable to the comparative financial statements have been updated accordingly. The Company's new accounting policies relative to the adoption of PFRS 9 are fully disclosed in Notes 2.3 and 2.5.

- (ii) PFRS 15, *Revenue from Contract with Customers*, together with the *Clarifications to PFRS 15* (herein referred to as PFRS 15). This standard will replace PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: International Financial Reporting Interpretations Committee (IFRIC) 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers* and Standing Interpretations Committee 31, *Revenue – Barter Transactions Involving Advertising Services*. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company's adoption of PFRS 15 had no impact on its financial statements because it has no commercial operations yet. Its income is currently limited to finance income which is not within the scope of PFRS 15. Nevertheless, the relevant accounting policies and disclosures of the Company have been updated to conform well with the provisions of PFRS 15. Refer to Note 2.8 for the updated revenue recognition and measurement policy of the Company.

(b) *Effective in 2018 that are not Relevant to the Company*

The following new amendments and annual improvements to existing standards are mandatorily effective for annual periods beginning on or after January 1, 2018 but are not relevant to the Company's financial statements:

PAS 40 (Amendments)	:	Investment Property – Reclassification to and from Investment Property
PFRS 2 (Amendments)	:	Share-based Payment – Classification and Measurement of Share-based Payment Transactions
International Financial Reporting Interpretations Committee (IFRIC) 22	:	Foreign Currency Transactions and Advance Consideration
PFRS 4 (Amendments)	:	Insurance Contracts – Applying PFRS 9 with PFRS 4
Annual Improvements to PFRS (2014-2016 Cycle)		
PAS 28 (Amendments)	:	Investment in Associates – Classification on Fair Value Through Profit or Loss Classification
PFRS 1 (Amendments)	:	First-time Adoption of Philippine Financial Reporting Standards – Deletion of Short-term Exemptions

(c) *Effective Subsequent to 2018 but are not Adopted Early*

There are new PFRS, interpretation, amendments and annual improvements to existing standards effective for annual periods subsequent to 2018, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements.

- (i) PFRS 9 (Amendments), *Financial Instruments – Prepayment Features with Negative Compensation* (effective from January 1, 2019). The amendments clarify that prepayment features with negative compensation attached to financial instruments may still qualify under the SPPI test. As such, the financial assets containing prepayment features with negative compensation may still be classified at amortized cost or at FVOCI.
- (ii) IFRIC 23, *Uncertainty over Income Tax Treatments* (effective from January 1, 2019). The interpretation provides clarification on the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates when there is uncertainty over income tax treatments. The core principle of the interpretation requires the Company to consider the probability of the tax treatment being accepted by the taxation authority. When it is probable that the tax treatment will be accepted, the determination of the taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates shall be on the basis of the accepted tax treatment. Otherwise, the Company has to use the most likely amount or the expected value, depending on the surrounding circumstances, in determining the tax accounts identified immediately above.

2.3 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

(a) Classification, Measurement and Reclassification of Financial Assets

Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at FVTPL. Under PFRS 9, the classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of the Company's financial assets are described as follows.

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Company's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All of the Company's financial assets meet these criteria and are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

The Company's financial assets at amortized cost is presented in the statement of financial position as Cash and Advances to a stockholder. Cash includes demand deposits maintained in local banks that is unrestricted, readily available for use in the Company's operations and generally earning interest based on daily bank deposit rates.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized on the statement of comprehensive income as Finance Income.

The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Company is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(b) *Impairment of Financial Assets*

The Company assesses its ECL on a forward-looking basis associated with its financial assets carried at amortized cost. Recognition of credit losses is no longer dependent on the Company's identification of a credit loss event. Instead, the Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for financial assets at amortized cost. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the expected credit losses, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(c) *Derecognition of Financial Assets*

The financial assets (or where applicable, a part of a financial asset or part of a group of 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 to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.4 Other Current Assets

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

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

2.5 Financial Liabilities

Financial liabilities, which include accounts payable and accrued expenses (except for tax-related liabilities), are recognized when the Company becomes a party to the contractual terms of the instrument.

Accounts payable and accrued expenses are recognized initially at their fair value and subsequently measured at amortized cost, using effective interest method for those with 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 12 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. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

2.6 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.7 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. The increase in the provisions due to the passage of time is recognized as interest expense. 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.

2.8 Revenue and Expenses Recognition

Revenue is recognized only when (or as) the Company satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time. Currently, the only source of income is interest income from its cash deposits which is within the scope of PFRS 9 [see Note 2.3(a)].

Expenses are recognized in profit or loss upon utilization of goods and/or services, or at the date they are incurred.

2.9 Income Taxes

Tax expense recognized in profit or loss 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 end of the reporting period. They are calculated using 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 profit or loss.

Deferred tax is accounted for 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 carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

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 provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the 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.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes related the same taxation authority.

2.10 Related Party Relationships and 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 parties 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.

2.11 Equity

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

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

Deposit for future stock subscription represents the amount of money received from stockholders as deposit for subscription to a proposed increase in authorized capital stock that is pending approval by SEC. Based on the requirements of the SEC, the Company recognizes a deposit for future stock subscription as part of equity if all of the following criteria are met as at the end of the reporting period:

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

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

Deficit represents all current and prior period results of operations as disclosed in the statement of comprehensive income.

2.12 Loss Per Share

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

2.13 Events After the End of the 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 in the notes to financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the 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 Judgment in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made judgment, apart from those involving estimation. Among those judgments, recognition of provisions and contingencies has the most significant effect on the amount recognized in the financial statements. This judgment is exercised by management to distinguish between provisions and contingencies.

(a) *Determination of ECL on Advances to a stockholder*

ECL for advances was assessed by the management to have a low probability of default since it is from a stockholder and can be required to pay if the Company needs funds.

(b) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.7 and disclosures on relevant provisions and contingencies are presented in Note 14.

3.2 Key Source of Estimation Uncertainty

The only key assumption concerning the future and other key source of estimation uncertainty at the end of the reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period relates to the determination of realizable amount of deferred tax assets.

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

As at December 31, 2018 and 2017, the Company did not recognize any deferred tax asset as the Company is not expected to have sufficient taxable profits against which it can be applied before the validity periods of the related temporary differences expire (see Note 13).

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has not yet started commercial operations as of December 31, 2018 and is not exposed to significant financial risk, except for credit risk of its cash in bank and advances to a stockholder, and liquidity risk related to its accounts payable.

The maximum credit risk exposure of the Company as of December 31, 2018 and 2017 amounted to P239,532,358 and P238,762,766, respectively, representing cash and advances to a stockholder. For cash, management believes that the credit risk is negligible because the counterparty is a reputable bank.

The Company's financial liabilities amounting to P2,103,674 and P984,550 as of December 31, 2018 and 2017, respectively, are expected to be settled within six months from the end of the reporting period. Also, management believes that its liquidity risk is minimal considering its parent company will continue to provide financial support to the Company until the Company is able to support its own operations (see Note 11).

5. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values by Category

The Company has no financial instruments carried at fair value. For its financial assets and financial liabilities as of December 31, 2018 and 2017 that are carried at amortized cost, management has determined that their carrying amounts approximate or equal their fair values due to their short-term nature. Accordingly, a comparison of their carrying values and fair values is no longer presented.

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

5.2 Fair Value Hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

As disclosed in Note 5.1, the carrying values of the Company's financial instruments carried at amortized cost approximate or equal their fair values, accordingly, no further analysis of fair value in the hierarchy is presented. Nevertheless, among them, only cash is considered Level 1; all the rest are determined to be Level 3 in the fair value hierarchy (see Note 5.2).

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. Currently, because of the status of the Company's operations (see Note 1.2), management is doing everything it can to ensure that its deficit does not exceed capital stock and other components of equity. It is currently building up its capital to prepare the Company for its investment and operational plans.

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

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

The Company's debt-to-equity ratio at December 31, 2018 and 2017 is presented below.

	<u>2018</u>	<u>2017</u>
Total liabilities	P 2,148,376	P 1,048,219
Total equity	<u>240,681,701</u>	<u>240,922,608</u>
Debt-to-equity ratio	<u>0.009 : 1.00</u>	<u>0.004 : 1.00</u>

7. CASH

As of December 31, 2018 and 2017, cash in banks, which generally earn interest based on daily bank deposit rates. Effective annual interest earned from cash in bank range from 0.25% to 0.50% both in 2018 and 2017. Interest income earned from cash in banks amounted to P2,216,426 in 2018, P1,066,520 in 2017 and P154,114 in 2016 and are presented as Finance Income in the statements of comprehensive income.

8. OTHER CURRENT ASSETS

This account is composed of the following:

	Note	<u>2018</u>	<u>2017</u>
Input value-added tax (VAT)	16(b)	P 3,185,632	P 3,122,374
Advances to contractor		<u>1,108,560</u>	1,108,560
Deferred input tax		<u>60,000</u>	33,600
Others		<u>48,087</u>	48,087
		<u>4,402,279</u>	4,312,621
Allowance for impairment loss		(<u>1,108,560</u>)	(<u>1,108,560</u>)
		<u>P 3,293,719</u>	<u>P 3,204,061</u>

The Company's other current assets have been reviewed for indicators of impairment. Advances to contractor was determined to be impaired; hence, 100% allowance for impairment has been recognized in the 2016 statement of comprehensive income. There were no additional impairment losses recognized in 2018 and 2017.

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

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account is composed of the following:

	Note	2018	2017
Accrued expenses	10.2	P 2,103,674	P 984,550
Others		<u>44,702</u>	<u>63,669</u>
		<u>P 2,148,376</u>	<u>P 1,048,219</u>

Accrued expenses mainly comprise of legal and professional fees.

10. RELATED PARTY TRANSACTIONS

The Company's related party includes its stockholders, key management personnel and others as described in Note 2.10. Its transactions with its related parties follow.

10.1 Advances to a Stockholder

The Company provided noninterest-bearing advances to a stockholder. The advances to a stockholder are unsecured, and are due and collectible upon demand. These advances are generally settled in cash.

The movements in the balance of advances to a stockholder, shown as Advances to a Stockholder in the statements of financial position as at December 31, 2018 and 2017 are as follows:

	2018	2017
Balance at beginning of year	P 2,584,892	P 1,857,076
Collections	(542,816)	(2,772,184)
Advances	-	3,500,000
Balance at end of year	<u>P 2,042,076</u>	<u>P 2,584,892</u>

Based on management's assessment, the outstanding balance of the Company's advances to a stockholder is not impaired as at December 31, 2018 and 2017; hence, no impairment loss was recognized in those years.

10.2 Legal Services

Legal services rendered to the Company by certain officers of the Company amounted to P875,000 in 2018, P840,000 in 2017 and P820,000 in 2016 and is presented as Legal Fees in the statements of comprehensive income. Total outstanding balances related to these transactions amount to P1,356,924 and P504,000 as at December 31, 2018 and 2017 and are presented as part of Accrued expenses under the Accounts Payable and Accrued Expenses account in the statements of financial position (see Note 9). The outstanding balance is unsecured, noninterest-bearing and payable in cash.

10.3 Use of Related Party's Office Space

The Company is allowed by a related party under common ownership to use its office space at no cost to the Company.

10.4 Key Management Personnel Compensation

Management of the Company is handled by employees of a related party under common ownership at no cost to the Company.

11. EQUITY

11.1 Capital Stock

The Company's authorized capital stock is P300.0 million divided into 3.0 billion shares at P0.10 par value per share which have been fully issued and outstanding as at December 31, 2018 and 2017.

On May 26, 1989 and October 19, 2010, the SEC approved the listing of the Company's 50.0 million shares and 14.0 million shares, respectively, in the PSE (see Note 1). On September 14, 2010 and October 19, 2010, the 50.0 million shares and 14.0 million shares were increased to 500.0 million shares and 140.0 million shares, respectively, totaling to 640.0 million shares due to the reduction in the par value from P1.0 to P0.10 per share. Other than this, it has no other securities listed in the exchanges. As at December 31, 2018, 24.67% of the issued and outstanding shares are held by the public. The Company's shares closed at P0.56 per share on December 27, 2018.

In 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 10 shares for every one share issued and an increase in the number of authorized capital stock from 100.0 million shares to 1.0 billion shares. 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 100.0 million shares at P1.00 par value per share to P300.0 million divided into 3.0 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 in their 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, making the authorized capital stock P100.0 million divided into 1.0 billion shares.

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

- (i) Subscription to 260.0 million unissued shares by an existing stockholder at the subscription price of P0.10 per share or P26.0 million. The subscribed shares were issued out of the Company's remaining authorized capital stock on November 10, 2016, the date of subscription.
- (ii) Subscription to the 2.0 billion proposed increase in authorized capital stock at the subscription price of P0.10 per share or P200.0 million by a new investor.

On December 8, 2016, during the annual stockholders' meeting of the Company, the stockholders confirmed, ratified and re-adopted the 2009 stockholders' approval of the increase in the authorized capital stock of the Company. On the resolution passed on December 17, 2009 during the annual meeting of stockholders, the stockholders approved the proposed increase in authorized capital stock from P100.0 million divided into 100.0 million shares at a par value of P1 per share to P300.0 million divided into 3.0 billion shares at the reduced par value of P0.10 per share without stockholders' pre-emptive right. The net increase of P200.0 million has been fully subscribed in 2016 and a P50.0 million payment was received. This was treated in the 2016 financial statements as deposit for future stock subscription pending approval by the SEC of the increase in authorized capital stock. The proposed increase in capital stock was approved by the SEC on June 14, 2017, after which the balance of the subscription was paid in full.

11.2 Prior Period Adjustment

Deficit and APIC as of December 31, 2017 have been restated to correct the treatment of transaction cost in connection with the Company's issuance of shares in 2017. It was originally recognized as expense. The prior period adjustment reduced both deficit and APIC as well as net loss in 2017 by P1,000,000.

The restatement had no significant impact to the Company's statements of cash flows, except for the decrease in loss before tax and net cash used in operating activities by the same amount discussed above.

12. LOSS PER SHARE

Loss per share is computed as follows:

	2017 (As Restated – see Note 13)	2016
	<u>2018</u>	<u>2016</u>
Net loss	P 240,907	P 1,696,883 P 3,390,131
Weighted average number of outstanding common shares	<u>3,000,000,000</u>	<u>2,500,000,000</u> <u>1,000,000,000</u>
Loss per share	P 0.0001	P 0.0007 P 0.0034

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

13. INCOME TAXES

The tax expense reported in profit or loss pertains to final tax expense at 20% amounting to P443,285 in 2018, P213,307 in 2017, and P30,823 in 2016.

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

	2017 (As Restated – see Note 11.2)	2016
	<u>2018</u>	<u>2016</u>
Tax on pretax profit (loss) at 30%	P 60,713 (P 445,073) (P 1,007,792)	
Adjustment for income subjected to lower tax rate	(221,643) (106,649) (15,412)	
Tax effects of:		
Unrecognized deferred taxes	596,436	1,050,387
Non-deductible expenses	7,779	14,642
Deductible stock issuance cost	- (300,000)	- (85,409)
Tax expense	P 443,285 P 213,307 P 30,823	

The Company is subject to MCIT which is computed at 2% of gross income, as defined under tax regulations, or regular corporate income tax (RCIT), whichever is higher. No MCIT was reported in 2018, 2017 and 2016 since the Company is in a gross loss position in those years.

The Company has incurred net operating loss carryover (NOLCO) in 2018 and in the previous years. The breakdown of NOLCO, which can be claimed as deduction from future taxable income within three years from the year the taxable loss was incurred, is shown below.

Year Incurred	Original Amount	Expired Balance	Remaining Balance	Valid Until
2018	P 1,988,119	P -	P 1,988,119	2021
2017	3,501,290	-	3,501,290	2020
2016	2,120,165	-	2,120,165	2019
2015	<u>21,969,339</u>	<u>21,969,339</u>	<u>-</u>	
	<u>P 29,578,913</u>	<u>P 21,969,339</u>	<u>P 7,609,574</u>	

The Company did not recognize any deferred tax asset on its NOLCO and allowance for impairment on receivables as at December 31, 2018 and 2017 because management does not expect the Company to have sufficient taxable profit against which the deferred tax assets can be utilized prior to lapse of their validity period. The unrecognized deferred tax assets related to NOLCO and allowance for impairment as at December 31, 2018 and 2017 amount to P2,615,440 and P8,609,806, respectively.

In 2018, 2017 and 2016, the Company opted to continue claiming itemized deductions for income tax purposes.

14. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities that are not given recognition in the financial statements. As at December 31, 2018 and 2017, management believes that losses, if any, that may arise from these commitments and contingencies will not have any material effect on the financial statements.

15. EVENT AFTER THE END OF THE REPORTING PERIOD

On February 20, 2019, Republic Act No. 11232, *An Act Providing for the Revised Corporation Code of the Philippines* (the Revised Corporation Code), was signed into law. Among the provisions of the Revised Corporation Code, the following would impact the Company's financial statements.

- The Revised Corporation Code removed the 50-year maximum corporate term. Hence, stock corporation may have unlimited life unless otherwise provided in the articles of incorporation; and,
- The Revised Corporation Code removed the subscription requirement of 25% of authorized capital stock and paid-up capital requirement of 25% of subscribed capital stock.

16. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Following is the supplementary information on taxes, duties and license fees paid or accrued during the taxable year which is required under Revenue Regulations (RR) No. 15-2010 of the Bureau of Internal Revenue (BIR) to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

(a) *Output VAT*

In 2018, the Company had no revenues earned subject to output VAT.

(b) *Input VAT*

The movements in input VAT is summarized below.

Balance at beginning of year	P 3,122,374
Purchase of services	61,920
Domestic purchases of goods other than capital goods	<u>1,338</u>
Balance at end of year	<u>P 3,185,632</u>

The balance of input VAT is presented as Input VAT under the Other Current Assets account in the 2018 statement of financial position (see Note 8).

(c) *Taxes on Importation*

The Company did not incur or pay any customs duties and tariff fees as it did not have any importation in 2018.

(d) *Excise Tax*

The Company did not have any transaction in 2018 which is subject to excise tax.

(e) *Documentary Stamp Tax (DST)*

The Company did not have any transaction in 2018 which is subject to DST.

(f) *Withholding Taxes*

Expanded withholding taxes amounted to P66,282 for the year ended December 31, 2018. No other withholding taxes was recognized by the Company in 2018.

(g) *Taxes and Licenses*

Details of taxes and licenses for the year ended December 31, 2018 is presented under Expenses in the 2018 statement of comprehensive income follow:

Business taxes and permits	P	11,646
Barangay clearance		1,615
Community tax		500
Annual registration fee		500
Others		<u>913</u>
	P	<u>15,174</u>

(h) *Deficiency Tax Assessment and Tax Cases*

As at December 31, 2018, the Company does not have any final deficiency tax assessments with the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open years.

**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 the Stockholders
Lodestar Investment Holdings Corporation
7th Floor, Peaksun Bldg., 1505 Princeton St.
corner Shaw Blvd., Wack Wack Greenhills East
Mandaluyong 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, 2018, on which we have rendered our report dated April 5, 2019. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The following applicable supplementary information is presented for purposes of additional analysis in compliance with the requirements of the Securities Regulation Code Rule 68, as amended, and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards:

- a. Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2018, and,
- b. Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2018.

Punongbayan & Araullo

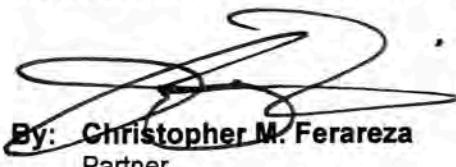
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 988 2288



Such supplementary information is the responsibility of 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: **Christopher M. Ferarez**
Partner

CPA Reg. No. 0097462
TIN 184-595-975
PTR No. 7333693, January 3, 2019, Makati City
SEC Group A Accreditation
Partner - No. 1185-AR-2 (until May 9, 2021)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-34-2017 (until Jun. 19, 2020)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

April 5, 2019

ANNEX 'B'

SEC Registration Number

5	4	1	0	6							
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Company Name

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

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

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

Form Type

1	7	A	
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
---	---	---	--

COMPANY INFORMATION

Company's Email Address

www.lodestarholdings.com
--

Company's Telephone Number/s

(632) 928-9246

Mobile Number

N/A

No. of Stockholders

60

Annual Meeting

2nd Wednesday of May

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Venus L. Gregorio

Email Address

Nitsbeng.gregoriolaw@mydestiny.net

Telephone Number/s

(632) 920-9306

Mobile Number

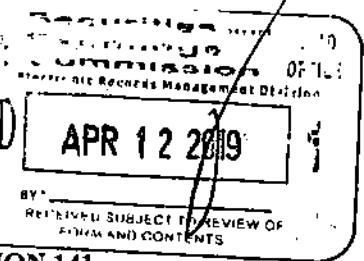
--

Contact Person's Address

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

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A



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

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

LODESTAR INVESTMENT HOLDINGS CORPORATION
(Formerly: LODESTAR MINING CORPORATION)

5. Philippines 6. _____ (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization

7. 7/F Peaksun Bldg., Princeton St., Shaw Blvd., Mandaluyong City 1552
Address of principal office Postal Code

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

9. _____
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
---------------------	--

(Par Value: P0.10)

Common Shares	3,000,000,000
---------------	---------------

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

Yes No

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

Philippine Stock Exchange Common Shares : 640,000,000

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The 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 05 April 2019 of the voting stock held by non-affiliates of the registrant is ₦ 1,559,972,960.00. (2,999,948,000 x ₦0.52)

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

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

Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) Any annual report to security holders;

None

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

None

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

None

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

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

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

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

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

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

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

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

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

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

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

Item 2. Properties

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

Item 3. Legal Proceedings

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

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

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

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

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

Closing market price as at April 5, 2019 is pegged at ₱ 0.52.

The high and low sales prices of each quarter covering the years 2018, 2017 and 2016 are as follows:

		<u>High</u>	<u>Low</u>
2019	April 5, 2019	₱ 0.52	₱ 0.50
2018	First Quarter	₱ 0.80	₱ 0.62
	Second Quarter	0.68	0.52
	Third Quarter	0.71	0.53
	Fourth Quarter	0.59	0.48
2017	First Quarter	₱ 1.35	₱ 0.93
	Second Quarter	1.19	0.97
	Third Quarter	1.07	0.86
	Fourth Quarter	0.89	0.60
2016	First Quarter	₱ 0.75	₱ 0.50
	Second Quarter	0.80	0.66
	Third Quarter	0.85	0.69
	Fourth Quarter	1.22	1.12

Source: *Technistock*

The number of shareholders as of 31 December 2018 is 60¹. Common shares outstanding as of 31 December 2018 are 3,000,000,000 shares per records of BDO Unibank, Inc.

The following table presents the Company's top 20 shareholders as at 31 December 2018:

Name of Shareholder	Class of Security	Number of Shares	Percentage to Total
Socorro P. Lim	Common	2,000,000,000	66.667%
PCD Nominee Corporation-Filipino	Common	621,947,429	20.732%
Nathaniel C. Go	Common	260,000,000	8.667%
Renato L. Reyes	Common	72,000,000	2.400%
Ramon L. Abad, Jr.	Common	28,000,000	0.933%
PCD Nominee Corporation- Non-Filipino	Common	10,543,001	0.351%
Jones R. Castro	Common	1,700,000	0.057%
Renato Lumague	Common	600,000	0.020%
William T. Enrile &/or William R. Enrile II &/or Nelly R. Enrile	Common	500,000	0.017%
Joel S. Diaz	Common	500,000	0.017%

² Per the records of BDO Unibank, Inc.

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

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

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

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

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

Business Plan:

Business outlook for 2019 is geared towards looking for other business ventures, which is still in line with the primary purpose of the Company as a holdings corporation. Thus, the Company may again tap into various sources to look for opportunities in the diversified business sectors that are viable, growing and profitable. The Company's strategy will be to invest-buy-in or acquire businesses where the Company will at least own a significant stake or interest of the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

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

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

Financial Performance In Philippine Pesos

Key Financial Indicator			
	Year 2018	Year 2017	Year 2016
Revenues	2,216,426	1,066,520	154,114
Cost and Expenses	2,457,333	2,763,403	2,435,685
Other Losses	-	-	1,108,560
Net Income (Loss)	(240,907)	(1,696,883)	(3,390,131)
Current Assets	242,830,077	241,970,827	95,204,724
Current Liabilities	2,148,376	1,048,219	1,585,233
Total Assets	242,830,077	241,970,827	95,204,724
Total Liabilities	2,148,376	1,048,219	1,585,233
Stockholders' Equity	240,681,701	240,922,608	93,619,491
Current Ratio	113.03	230.84	60.06
Current Assets / Current Liabilities	242,830,077 / 2,148,376	241,970,827 / 1,048,219	95,204,724 / 1,585,233
Debt to Equity Ratio	0.009	0.004	0.017
Total Liabilities/Stockholders' Equity	2,148,376 / 240,681,701	1,048,219 / 240,922,608	1,585,233 / 93,619,491
Return on assets	NA	NA	NA
Net Income / Total Assets			
Earnings (Loss) Per Share	(0.000)	(0.001)	(0.003)
Net Income (Loss) /No. of shares outstanding	(240,907)/ 3 B	(1,696,883)/ 3 B	(3,390,131)/ 1 B

Full Fiscal Years

Calendar Year 2018

Proceeds of the increase of capital stock via private placements approved on June 14, 2017 by the Securities and Exchange Commission will be used for investments into corporate undertakings or businesses though these are still not yet definite or identified as of date, hence, no acquisition or combination has resulted from, or accompanies the transactions.

The private placement transactions resulted to a 0.55 % or ₱ 1.31 million increase in cash from ₱ 236.18 million in Dec. 31, 2017 to ₱ 237.49 million in Dec. 31, 2018.

There was a 21.0% or ₱ 542.82 thousand net decrease in related party transactions due to partial collection.

There was a 2.80% or ₱89.66 thousand increase in other current assets due to increase in input tax.

There was a 105% or ₱ 1.10 million net increase in liabilities due to accrual of legal and audit fees.

There was an increase of ₱ 240.91 thousand in deficits mainly due to net loss incurred during the year.

For 2018, interest income of ₱2.22 million was 107.82% or ₱1.15 million higher as compared to 2017 interest income of only ₱ 1.07 million due to substantial increase in cash brought about by the private placement transaction.

Cost and expenses of ₱ 2.46 million was 11.08% or ₱306.07 thousand lower as compared to 2017 operating expenses of ₱ 2.76 million. The decrease is mainly attributable to cost of documentary stamp tax and filing fees paid relative to the increase in authorized capital stock in 2017.

Calendar Year 2017

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

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

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

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

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

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

There was a 100% increase in capital stock due to full payment of private placements made in 2016. An increase of 1.38% or ₱ 1.70 million in deficits is mainly due to the net loss incurred during the year. The decrease in additional paid-in-capital was due to application of cost of documentary stamp tax amounting to ₱1 million for the increase in subscribed capital stock.

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

Cost and expenses of ₱ 2.76 million was 22.03% or ₱0.78 million lower compared to 2016 operating expenses of ₱ 3.54 million. The decrease is mainly attributable to the provision for impairment loss posted in 2016.

Calendar Year 2016

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

1. Mr. Nathaniel Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share for a total subscription amount of Twenty Six Million Pesos (₱26,000,000.00).

The Subscribed Shares shall be issued out of the Company's current authorized capital stock of One Hundred Million Pesos (₱100,000,000.00) consisting of One Billion (1,000,000,000) common shares with a par value of ten centavos (₱0.10) per share. Full payment of the subscription was made on November 10, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item 7. Financial Statements

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

INFORMATION ON INDEPENDENT ACCOUNTANT

Audit Fees

For 2018, Punongbayan and Araullo (PNA) are the new external auditors to review the financial statements. Mangay-ayam, Lim & Co. (MLCPA) were tasked to review the 2017 financial statements. PNA, has been the Company's independent auditor from 2009 to 2016. Fees paid by the Company for audit services amounted to ₱400,000.00, ₱280,000.00 and ₱321,340.00 for 2018, 2017 and 2016, respectively.

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

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

Audit Committee's Approval Policies and Procedures

The Audit Committee and PNA met to discuss its audit plan, new accounting standards for adoption by the group, timetable, professional staff assigned to perform the engagement and service fees to be charged by the auditor, among others. Before the audit report was

finalized, PNA presented the same to the Audit Committee and the Board of Directors and secured their approval for release of the audited financial statements.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has a new External Auditor for calendar year 2018. Also, in compliance with the BIR RMC No. 36-2016 and Professional Regulatory Board of Accountancy Resolution No. 03 Series of 2016, the financial statements and notes thereto for the calendar year ended 31 December 2018 were prepared by the Issuer's Interim Accountant. There were no disagreements with Accountants on accounting and financial disclosure.

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

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

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

The following table presents the members of the Board of Directors and Officers as at 31 December 2018.

Name	Age	Nationality	Present Position	Date Elected and / or Appointed
Antonio Victoriano F. Gregorio III	46	Filipino	Director and Chairman	May 15, 2009 as Director and Dec. 13, 2012 as Chairman
Chi Ho Co	46	Filipino	Director and President	Sept. 22, 2008 as Director and Dec. 13, 2012 as President
Richard N. Palou	71	Filipino	Director	December 18, 2017
Delfin S. Castro, Jr.	53	Filipino	Director, CFO and Treasurer	December 11, 2015
Ramoncito B. Cabalu	62	Filipino	Director	December 11, 2015
Manuel Ong	61	Filipino	Independent Director	December 11, 2015
Felices Latonero	44	Filipino	Independent Director	December 18, 2017
Venus L. Gregorio	50	Filipino	Corporate Secretary and Corporate Information Officer	December 13, 2012

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

ANTONIO VICTORIANO F. GREGORIO III, 46, Filipino/ Director/ Chairman/ Chairman, Nomination Committee/ Member, Audit Committee

Atty. Antonio Gregorio III graduated Second Honors, with a Juris Doctor from the Ateneo de Manila University in 1998 and passed the bar examinations of 1999. He also has a Bachelor of Science Major in Management Engineering and a Bachelor of Arts, Major in Economics-Honors, both from the Ateneo de Manila University, Magna Cum Laude. He was a valedictorian of his high school class in the Ateneo. Atty. Gregorio sits as director and officer of various public and private companies, including NiHao Mineral Resources International, Inc. (President from 2011 to present and Chairman from 2012 to present), Dizon Copper-Silver Mines (Treasurer/Director from 2012 to present), Abacore Capital Holdings, Inc. (Director, 2009 to present), IPM Holdings Inc. (Director from July 2011 to present), Cuervo Far East, Inc. (Corporate Secretary/Director 2005 to present) and 4A9T Scholarship Foundation, Inc. (Corporate Secretary/Trustee from 1999 to present). He was formerly the Chairman and President of Asiabest Group International, Inc. (2011 to May 2017) and Corporate Secretary/Director (2008 to 2011). He was also the Director of GNA Resources International Limited (2011 to 2015)

CHI HO CO, 46, Filipino/ Director and President/ Member, Audit Committee/ Member, Nomination Committee/ Member, Executive Committee.

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

RICHARD WILLIAM N. PALOU, 71, Filipino/ Director/ Member, Governance Committee and Compensation Committee

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

DELFIN S. CASTRO, JR., 53, Filipino/ Director/Treasurer/Assistant Corporate Information Officer/ Member, Compensations Committee

Mr. Delfin S. Castro, Jr. holds a Masters Degree in Business Administration and a Bachelor of Science Degree in Business Administration from the University of the Philippines. He is currently the Chairman and President of Dizon Copper-Mines, Inc. (2012 to present), Treasurer of NiHao Mineral Resources International, Inc. (2001 to present),

Director/Treasurer of Geograce Resources Philippines, Inc. (2006 to present). He is also a Director and Corporate Secretary of Sunplaza Development Corporation and Treasurer of the Peak Condominium Corporation. Her was formerly a Director/Treasurer of Asiabest Group International, Inc. (2010 to May 2017)

RAMONCITO CABALU, 62, Filipino/ Director

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

MANUEL G. ONG, 61, Filipino/ Independent Director/ Chairman, Governance Committee, Compensations Committee and Audit Committee/ Member, Executive Committee & Nominations Committee

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

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

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

VENUS L. GREGORIO, 50, Filipino/ Corporate Information Officer/ Corporate Secretary

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

Family Relationships

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

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

Involvement in Certain Legal Proceedings

The Company is not aware of:

- (a) any bankruptcy petition filed by or against any business or which any director or member of senior management was a general partner or executive officer either at the time of bankruptcy or within two years prior to that time;
- (b) any conviction by final judgment, of any director or member of senior management, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) of any director or member of senior management being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign permanently or temporarily enjoining, barring, suspending or otherwise limiting such director's or member of senior management's involvement in any type of business, securities, commodities or banking activities; and
- (d) any director or member of senior management being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory been reversed, suspended, or vacated, during the last five (5) years up to the date of filing.

Item 10. Executive Compensation

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Amount of Compensation
	2019 (est)	
Antonio V.F. Gregorio III, Chairman (1) Chi Ho Co, President (1) Delfin S. Castro, Jr., Treasurer/ CFO (1) No other officers receiving compensation as a group		sum of the aggregate of the named executives 0
	2018	
Antonio V.F. Gregorio III, Chairman (1) Chi Ho Co, President (1) Delfin S. Castro, Jr., Treasurer/ CFO (1) No other officers receiving compensation as a group		sum of the aggregate of the named executives 0
	2017	
Antonio V.F. Gregorio III, Chairman (1) Chi Ho Co , President (1) Delfin S. Castro, Jr., Treasurer/ CFO (1) No other officers receiving compensation as a group		sum of the aggregate annual cash compensation compensation of the named executives 0

(1) No compensation for services rendered

- **Compensation of Directors**

Other than a minimal per diem in the amount of ₦5,000.00 to ₦10,000.00 for each Board meeting attended, the Directors of the Company are not

compensated, directly or indirectly, for any services provided as such including committee participation or any special assignments.

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

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

- **Warrants and Options Outstanding**

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

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

Security Ownership of Certain Record and Beneficial Owners

The following are the owners of record of more than five percent (5%) of the Company's outstanding capital stock, the number of shares and percentage of shareholdings of each of them as of 31 December 2018.

Type of Class	Name, address of owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Amount of Ownership	Percent of Class
Common	Socorro P. Lim		Filipino	2,000,000,000	66.67%
Common	PCD Nominee Corporation	AP Securities, Inc. – 209,070,000 (6.97%)	Filipino	621,947,429	20.73%
Common	Nathaniel C. Go		Filipino	260,000,000	8.67%

Security Ownership of Management

The following are the number of common shares owned of record by the directors and executive officers of the Company and the percentage of shareholdings of each of them, as of December 31, 2018:

Title of Securities	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (D) direct/ (I) indirect	Citizenship	Percent of Class
Common	Antonio V.F. Gregorio III Chairman and Director	10,000 (Direct)	Filipino	0.000%
Common	Chi Ho Co President and Director	10,000 (Direct)	Filipino	0.00%
Common	Delfin S. Castro, Jr. Director, CFO, Treasurer and Assistant Corporate Information Officer	10,000 (Direct)	Filipino	0.00%
Common	Ramoncitu Cabalu Director	1,000 (Direct)	Filipino	0.00%
Common	Richard N. Palou Director	10,000 (Direct)	Filipino	0.00%
Common	Manuel Go Ong Independent Director	1,000 (Direct)	Filipino	0.00%
Common	Felixes G. Latonero Independent Director	10,000 (Direct)	Filipino	0.00%
Common	Venus L. Gregorio Corporate Secretary and Corporate Information Officer	10,000 (Indirect) From Antonio V.F. Gregorio	Filipino	0.00%
	Aggregate for above named Officers and Directors	52,000		0.00%

Changes in Control

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

Item 12. Certain Relationships and Related Transactions

Transactions With Related Parties:

The Company extended advances to a stockholder which amounted to ₱2,042,076 and ₱2,584,892 of December 31, 2018 and 2017, respectively.

Transactions With Key Management Personnel:

The Company avails of the services rendered by lawyers who are also key management personnel of the Company. The related legal fees for 2017 amount to ₱875 thousand.

PART IV – CORPORATE GOVERNANCE

As indicated in SEC Memorandum Circular No. 15 dated 15 December 2017, the 2018 Annual Corporate Governance Report will be submitted in a separate report on or before 30 May 2019.

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:

<i>Date of Event Reported</i>	<i>Event Reported</i>
Jan. 31, 2018	Postponement of Annual Stockholders' Meeting
Jan. 31, 2018	Appointment of Mangay-ayam , Lim & Co. as the External Auditor for the year ended December 31, 2017.
April 5, 2018	Approval of the final draft of the Annual Financial Statements and Annual Report.
August 24, 2018	The following matters were taken up during the Corporate Governance Committee meeting : (1) Approval of the Amended Code of Business Conduct and Ethics, (2) Appointment of Venus L. Gregorio as Investor Relations Officer.
December 13, 2018	Appointment of Punongbayan & Araullo as the External Auditor for the year ended December 31, 2018.
	Annual stockholders' meeting and organizational Meeting of the Board of Directors.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Mandaluyong City on April 11, 2019.

By:



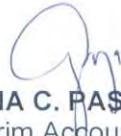
ANTONIO VICTORIANO F. GREOGRIOS III
Chairman of the Board



CHI HO CO
President



DELFIN S. CASTRO, JR.
CFO/ Treasurer



GINA C. PASION
Interim Accountant



VENUS L. GREGORIO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 11 day of APR 2019 2019
affiants exhibiting to me

Name	ID No.
Antonio V.F. Gregorio III	TIN 201-897-602
Chi Ho Co	TIN 167-858-435
Delfin S. Castro, Jr.	TIN 164-381-790
Venus Gregorio	TIN 181-964-522
Gina Pasion	TIN 165-705-315

Doc. No. : *94*
Page No. : *94*
Book No. : *4*
Series of 2019.

ATTY. JUAN JAVIER MOLADO
NOTARY Public *MM*
NRP NO. 047042-18-A-0001
PTB NO. 1000000-10-001 - MAND. OFF.
ROLL NO. 1000000-10-001-0001
VALID UNTIL APRIL 30, 2019
BRGY. PLARAY, TAYTAY, RIZAL

Lodestar Investment Holdings Corporation
List of Supplementary Information
December 31, 2018

Schedule	Content	Page No.
Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68		
A	Financial Assets	
	Financial Assets at Fair Value Through Profit or Loss	1
	Held-to-maturity Investments	1
	Available-for-sale Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Intangible Assets - Other Assets	4
E	Long-term Debt	5
F	Indebtedness to Related Parties	6
G	Guarantees of Securities of Other Issuers	7
H	Capital Stock	8
Others Required Information		
	Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2018	9
	Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2018	10 - 13
	Map Showing the Relationship Between the Company and its Related Entities	14
	Key Performance Indicators	15

Lodestar Investment Holdings Corporation
Schedule A - Financial Assets
December 31, 2018

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

Lodestar Investment Holdings Corporation
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2018

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

Not applicable

Lodestar Investment Holdings Corporation

Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2018

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

Not applicable

Lodestar Investment Holdings Corporation
Schedule D - Intangible Assets - Other Assets
December 31, 2018

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

Not applicable

Lodestar Investment Holdings Corporation
Schedule E - Long-term Debt
December 31, 2018

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

Lodestar Investment Holdings Corporation
Schedule F - Indebtedness to Related Parties (Long-term Loans from Related Companies)
December 31, 2018

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

Not applicable

Lodestar Investment Holdings Corporation
Schedule G - Guarantees of Securities of Other Issuers
December 31, 2018

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

Not applicable

Lodestar Investment Holdings Corporation
Schedule H - Capital Stock
December 31, 2018

<i>Title of Issue</i>	<i>Number of Shares Authorized</i>	<i>Number of Shares Issued and Outstanding as Shown Under Related Financial Condition Caption</i>	<i>Number of Shares Reserved for Options, Warrants, Conversion and Other Rights</i>	<i>Number of Shares Held by</i>		
				<i>Related Parties</i>	<i>Directors, Officers and Employees</i>	<i>Others</i>
Common shares	3,000,000,000	3,000,000,000	-	52,000	2,999,948,000	

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

Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2018

The Company has a deficit as at December 31, 2018. Presented below is an analysis of the deficit for purposes of this required reconciliation.

DEFICIT AT BEGINNING OF YEAR	P	124,792,250
Net loss for the year		<u>240,907</u>
DEFICIT AT END OF YEAR	P	<u>125,033,157</u>

LODESTAR INVESTMENT HOLDINGS CORPORATION
Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchange Commission and the
Financial Reporting Standards Council as of December 31, 2018

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements		✓		
Conceptual Framework Phase A: Objectives and Qualitative Characteristics		✓		
Practice Statement Management Commentary			✓	
<i>Philippine Financial Reporting Standards (PFRS)</i>				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	✓		
	Amendments to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters	✓		
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters	✓		
	Amendments to PFRS 1: Government Loans	✓		
	Amendments to PFRS 1: Deletion of Short-term Exemptions	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Remeasurement of Previously Held Interests in a Joint Operation (<i>effective January 1, 2019</i>)			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PFRS 4: Applying PFRS 9, <i>Financial Instruments</i> , with PFRS 4, <i>Insurance Contracts</i>			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures – Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures**	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments (2014)	✓		
	Amendments to PFRS 9: Prepayment Features with Negative Compensation* (<i>effective January 1, 2019</i>)			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (<i>effective date deferred indefinitely</i>)			✓
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
	Amendment to PFRS 11: Remeasurement of Previously Held Interests in a Joint Operation (<i>effective January 1, 2019</i>)			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception			✓
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers**	✓		
PFRS 16	Leases (<i>effective January 1, 2019</i>)			✓
PFRS 17	Insurance Contracts (<i>effective January 1, 2021</i>)			✓
Philippine Accounting Standards (PAS)				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events After the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses	✓		
	Amendment to PAS 12 - Tax Consequences of Dividends* (<i>effective January 1, 2019</i>)			✓
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16: Bearer Plants**	✓		
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization	✓		
PAS 17	Leases			✓
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits			✓
	Amendments to PAS 19: Defined Benefit Plans - Employee Contributions			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 21	The Effects of Changes in Foreign Exchange Rates Amendments: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs Amendment to PAS 23: Eligibility for Capitalization			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Revised)	Separate Financial Statements Amendments to PAS 27: Investment Entities Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Revised)	Investments in Associates and Joint Ventures Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (<i>effective date deferred indefinitely</i>) Amendments to PAS 28: Investment Entities - Applying the Consolidation Exception Amendment to PAS 28: Measurement of Investment in Associates at Fair Value through Profit or Loss Amendment to PAS 28: Long-term Interest in Associates and Joint Venture (<i>effective January 1, 2019</i>)			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation Amendments to PAS 32: Classification of Rights Issues Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings Per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets Amendment to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	✓		
PAS 39	Financial Instruments: Recognition and Measurement Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions Amendments to PAS 39: The Fair Value Option** Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts** Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives** Amendments to PAS 39: Eligible Hedged Items** Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting**	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 40	Investment Property			✓
	Amendment to PAS 40: Reclassification to and from Investment Property			✓
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants			✓
<i>Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)</i>				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds**			✓
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives**	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives**	✓		
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement and their Interaction**			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners**	✓		
IFRIC 18	Transfers of Assets from Customers**	✓		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments**	✓		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies**	✓		
IFRIC 22	Foreign Currency Transactions and Advance Consideration			✓
IFRIC 23	Uncertainty Over Income Tax Treatments (effective January 1, 2019)*			✓
<i>Philippine Interpretations - Standing Interpretations Committee (SIC)</i>				
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders**	✓		
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services**	✓		
SIC-32	Intangible Assets - Web Site Costs			✓

* These standards will be effective for periods subsequent to 2018 and are not early adopted by the Company.

** These standards have been adopted in the preparation of financial statements but the Company has no significant transactions covered in both years presented.

LODESTAR INVESTMENT HOLDINGS CORPORATION
Map Showing the Relationship Between the Company and its Related Entities
December 31, 2018

Not applicable

LODESTAR INVESTMENT HOLDINGS CORPORATION
Key Performance Indicators
December 31, 2018

	2018	2017	2018	2017
a.) Current Ratio				
Current Assets	P 242,830,077	P 241,970,827	113.03	230.84
Current Liabilities	2,148,376	1,048,219		
b.) Quick Ratio				
Cash	237,494,282	236,181,874	110.55	225.32
Current Liabilities	2,148,376	1,048,219		
c.) Debt-to-equity Ratio				
Debt	2,148,376	1,048,219	0.01	0.00
Equity	240,681,701	240,922,608		
d.) Book value per share				
Equity	240,681,701	240,922,608	0.08	0.08
No. of Shares Outstanding	3,000,000,000	3,000,000,000		
e.) Net Profit Margin				
<i>Not applicable. The Company is in a net loss position in 2018 and 2017 since it has not yet started its commercial operations.</i>				
f.) Asset to Equity Ratio				
Assets	242,830,077	241,970,827	1.01	1.00
Equity	240,681,701	240,922,608		
g.) Interest Rate Coverage Ratio				
<i>Not applicable. The Company has no borrowings in 2018 and 2017.</i>				
h.) Gross Profit Margin				
<i>Not applicable. The Company has no revenue in 2018 and 2017 since it has not yet started its commercial operations.</i>				

ANNEX 'C'

SEC Registration Number

5	4	1	0	6								
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Company Name

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

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

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

Form Type

1	7	Q	1
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

www.lodestarholdings.com
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Company's Telephone Number/s

(632) 928-9246

Mobile Number

N/A

No. of Stockholders

60

Annual Meeting

2nd Wednesday of May

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Venus L. Gregorio

Email Address

Nitsbeng.gregoriolaw@mydestiny.net

Telephone Number/s

(632) 920-9306

Mobile Number

--

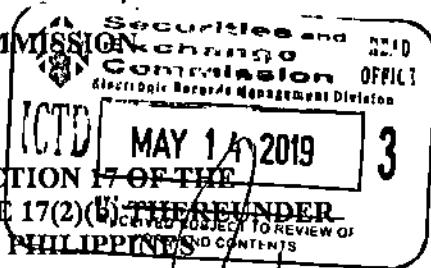
Contact Person's Address

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q



**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the quarterly period ended: March 31, 2019
2. SEC Identification Number: 54106 3. BIR Tax Identification No.: 200751430-000
4. Exact name of issuer as specified in its charter:

LODESTAR INVESTMENT HOLDINGS CORPORATION

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

Title of Each Class (Par value: ₱0.10)	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares (issued)	3,000,000,000¹
Common Shares (authorized)	3,000,000,000

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

Yes No

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

Philippine Stock Exchange Common Shares : 640,000,000

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

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

Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [/] No []

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

Yes [/] No []

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See attached “Annex A”

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

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

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- f) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- g) No seasonal or cyclical factor that affected this quarter's interim operations.

Item 2. Management's Discussion and Analysis (MD&A) or Plan of Operations

Plan of Operation

Part III, Paragraph (A) of Annex “C” of the Securities Regulation Code under Rule 12 states that the information under subparagraph (2) thereof is required for companies that are operational and had revenues from its operations. In this light, the foregoing information only tackles Part III, Paragraph (A) (1) of Annex “C”, insofar as applicable.

Business

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

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

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

On July 7, 2005, the Board of Directors approved the write-off of the aforementioned mining properties or claims in its financial statement as of June 30, 2005. The mining properties were reviewed as to impairment in accordance with SFAS 36/IAS 36: Impairment of Assets.

The Board of Directors, during its special meeting held on October 28, 2008, approved the private placement offering of 12,694,000 LIHC shares at the price of ₱ 2.50 per share. On 12 December 2008, the stockholders of the Company likewise approved the capital increase of the Company from ₱50,000,000.00 divided into 50,000,000 shares at ₱1.00 per share to ₱100,000,000.00 divided into 100,000,000 shares at ₱1.00 per share. In line with this application for capital increase, the Board of Directors of the Company, during its special meeting held on 13 March 2009, approved the private placement offering of 14,000,000 shares at the price of ₱1.20 per share. Said private placement funded the increase in authorized capital stock.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱1.00) to Ten Centavos (₱0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On 11 December 2015, during the Annual Stockholders' Meeting of the Company, the shareholders confirmed, ratified and re-adopted the 2009 Stockholders' approval of the increase in the authorized capital stock of LIHC. Said resolution was passed during the 17 December 2009 Annual Meeting wherein shareholders, holding at least 2/3 majority of the outstanding capital stock, voted in favor of the capital increase from one hundred million pesos (₱100,000,000.00) divided into one hundred million (100,000,000) shares at a par value of one Peso (₱1.00) per share to three hundred million Pesos (₱300,000,000.00) divided into three billion (3,000,000,000) shares at the reduced par value of Ten centavos (₱0.10) per share without stockholders' pre-emptive right.

On September 26, 2008, the Board of Directors authorized the Company to enter into a Heads of Agreement with Abacus Consolidated Resources and Holdings, Inc. ("ABACON") and Musx Corporation ("Musx") for the joint acquisition by the Company and Musx of all the outstanding and issued shares of Abacus Coal Exploration and Development Corporation ("ABACOAL") with a sharing arrangement of fifty five percent (55%) for Musix and forty five (45%) for the Company The Company

and Musx have likewise entered into an Agreement for Joint Investment whereby the investment parameters for such investment into ABACOAL were set forth.

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

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

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

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

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

On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase of the Company's authorized capital stock.

Business Plan:

Still in line with the primary purpose of the Company as a holdings corporation, business outlook for 2019 is geared towards looking for other business ventures. Thus, the Company may

again tap into various sources to look for opportunities in the various business sectors that are viable, growing and profitable. The Company's strategy will be to invest, buy-in or acquire businesses where the Company will at least own a significant stake or interest in the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

The Company with the approval of the SEC, implemented an increase in its Authorized Capital. This capital raising plan is intended to provide the Company investable funds and working capital for prospective projects. Specifics of such deals, if any, will be properly disclosed in accordance with the continuing disclosure requirements of the SEC and the PSE.

Likewise, the Company's cash requirements were satisfied from the proceeds/collection of Advances from stockholders and the proceeds of private placements with investors.

Management's Discussion and Analysis for the Interim Period Ended March 31, 2019 as compared with March 31, 2018:

Revenues

The Company did not earn any revenue during the three-month period ended March 31, 2019 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₦ 1.39 thousand or 0.35% from ₦ 400 thousand in March 2018 to ₦ 398 thousand in March 2019. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 357.23 thousand for the interim period ended March 2019 which is 0.53% or ₦ 1.91 thousand lower as compared to net loss of ₦ 359.14 thousand incurred for the same period in 2018.

Financial Condition

The Company's Total Assets comprising of Current Assets amount to ₦ 240.77 million which is 0.35% or ₦ 846 thousand lower than that of March 31, 2018 balance amounting to ₦ 241.61 million.

The Company's Total Liabilities decreased by ₦ 607 thousand or 57.80% from ₦ 1.05 million in March 2018 to ₦ 443 thousand in March 2019.

Stockholders' equity posted a 0.10% or ₦ 238.99 thousand decrease from ₦ 240.56 million in March 2018 to ₦ 240.32 million in March 2019, attributable mainly to expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of March 31, 2019 as compared with pro-forma Balance Sheet as of March 31, 2018 (increase/decrease of 5 % or more)

19.1 % or ₦ 416 thousand decrease in advances to a stockholder from ₦ 2.18 million in March 2019 to ₦ 1.76 million in March 2018. This is due to collections received in 2019.

57.86% or ₦ 607 thousand decrease in liabilities from ₦ 1.05 million in March 2018 to ₦ 442 thousand in March 2019 due to partial settlement of payables.

Key Performance Indicators

Considering the Company's non-operational status, the key performance indicators of the Company are as follows:	March 31, 2019	March 31, 2018
Current Ratio (1)	543.31x	230.07x
Quick Ratio (2)	531.79x	224.91x
Debt-equity ratio (3)	0.0018x	0.004x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

(1) *Current Assets / Current Liabilities*

March 2019	(₱ 240,767,622 / ₱ 443,152)
March 2018	(₱ 241,613,644 / ₱ 1,050,179)

(2) *Cash / Current Liabilities*

March 2019	(₱ 235,664,316 / ₱ 443,152)
March 2018	(₱ 236,200,664 / ₱ 1,050,179)

(3) *Debt / Equity*

March 2019	(₱ 443,152 / ₱ 240,324,471)
March 2018	(₱ 1,050,178 / ₱ 240,563,466)

(4) *Equity /Subscribed Shares*

March 2019	(₱ 240,324,471 / 3,000,000,000)
March 2018	(₱ 240,563,466 / 3,000,000,000)

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

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

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

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

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

Additional Financial Soundness Indicators

	March 31, 2019	March 31, 2018
Asset to equity ratio (1)	1.00x	1.00x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

<i>(1) Total Assets / Total Equity</i>	
March 2019	(P 240,767,622/P 240,324,471)
March 2018	(P 241,613,644/P 240,563,465)
<i>(2) Income before Interest and Taxes / Interest Expense</i>	
March 2019	N/A
March 2018	N/A
<i>(3) Gross Profit / Sales</i>	
March 2019	N/A
March 2018	N/A

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

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

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

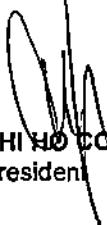
PART II – OTHER INFORMATION

There are no contingent liabilities or contingent assets or known trend and events that may materially affect the company's operation nor are there estimates of amounts reported in prior periods that may have a material effect on the attached financial statements.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Mandaluyong City on May 11, 2019.

By:


CHI HO CO
President


DELFIN S. CASTRO, JR.
Treasurer

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION

" ANNEX A "

	Notes	Unaudited March 31, 2019	Audited Dec 31, 2018
ASSETS			
Current Assets			
Cash and cash equivalents		₽ 235,664,316	₽ 237,494,282
Due from related parties		1,762,076	2,042,076
Other current assets		3,341,230	3,293,719
		₽ 240,767,622	₽ 242,830,077
LIABILITIES & STOCKHOLDERS' EQUITY			
Liabilities			
Accounts payable and accrued expenses	3	₽ 443,152	₽ 2,148,376
Total Liabilities		443,152	2,148,376
Stockholder's Equity			
Capital Stock - P0.10 par value	4	300,000,000	300,000,000
Additional Paid-In Capital		65,714,858	65,714,858
Deficit		(125,390,388)	(125,033,157)
Total Stockholders' Equity		240,324,470	240,681,701
		₽ 240,767,622	₽ 242,830,077

LODESTAR INVESTMENT HOLDINGS CORPORATION
 STATEMENTS OF INCOME
 (Unaudited)

	January 1 to March 31, 2019 (Three Months)	January 1 to March 31, 2018 (Three Months)
REVENUES	₽	₽
EXPENSES	398,492	399,879
INCOME (LOSS) BEFORE OTHER LOSSES	(398,492)	(399,879)
INTEREST INCOME	41,260	40,735
<u>NET INCOME (LOSS)</u>	<u>₽ (357,232)</u>	<u>₽ (359,143)</u>
NUMBER OF COMMON SHARES	<u>3,000,000,000.00</u>	<u>3,000,000,000.00</u>
Loss Per Share	<u>(0.000)</u>	<u>(0.000)</u>

Note: No dividends declared during the period

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Unaudited March 31, 2019	Audited Dec. 31, 2018	Unaudited March 31, 2018	Audited Dec. 31, 2017
CAPITAL STOCK - ₦0.10 par value				
Beginning Balance	₦ 300,000,000	₦ 300,000,000	₦ 300,000,000	₦ 100,000,000
Additional Subscription				₦ 200,000,000
Balance at end of period	₦ 300,000,000	₦ 300,000,000	₦ 300,000,000	₦ 300,000,000
ADDITIONAL PAID-IN CAPITAL				
Beginning Balance	₦ 65,714,858	₦ 65,714,858	₦ 65,714,858	₦ 65,714,858
Subscribed		-		-
Balance at end of period	₦ 65,714,858	₦ 65,714,858	₦ 65,714,858	₦ 65,714,858
DEFICIT				
Beginning Balance	₦ (125,033,157)	₦ (124,792,250)	₦ (124,792,250)	₦ (123,095,367)
Net Income (loss)	(357,231)	(240,907)	(359,143)	(1,696,883)
Balance at end of period	₦ (125,390,388)	₦ (125,033,157)	₦ (125,151,393)	₦ (124,792,250)
STOCKHOLDERS' EQUITY, END	₦ 240,324,470	₦ 240,681,701	₦ 240,563,465	₦ 240,922,608

LODESTAR INVESTMENT HOLDINGS CORPORATION
 STATEMENTS OF CASH FLOWS
 (Unaudited)

		January 1 to March 31, 2019 (Three Months)	January 1 to March 31, 2018 (Three Months)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱	(357,232)	(359,143)
Adjustment for:			
Interest Income		(41,260)	(40,735)
Net loss before working capital changes		(398,491)	(399,878)
Adjustment to reconcile net loss to net cash provided by operating activities			
Changes in operating assets and liabilities			
Decrease (increase) in :			
Other current assets		(47,511)	(30,844)
Increase (decrease) in :			
Accounts payable and accrued expenses		(1,705,224)	1,961
Net cash provided by operating activities		(2,151,226)	(428,761)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		41,260	40,735
Disposals (acquisitions) of property and equipment		-	-
Net cash used in investing activities		41,260	40,735
CASH FLOWS FROM FINANCING ACTIVITIES			
Collection from a stockholder		280,000	406,816
Receipts of payment of subscription to capital stocks		-	-
Net cash provided by (used in) financing activities		280,000	406,816
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,829,966)	18,790
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		237,494,282	236,181,874
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱	235,664,316	236,200,664

LODESTAR INVESTMENT HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with the Philippine Financial Reporting Standards. The company has followed the same accounting policies and methods of computation used with the most recent annual financial statement. No new accounting policy has been adopted for this interim report.

2. RELATED PARTY TRANSACTIONS

In 2012, the Company grants non-interest bearing advances to a stockholder for working capital purposes. The advances to the stockholder are unsecured and are due and demandable anytime. These advances are generally settled in cash.

As at March 31, 2019, based on management's assessment, the outstanding balance of the Company's advances to a stockholder amounting to ₱1,762,076 is not impaired, hence, no impairment loss is recognized.

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of accrued expenses which represent expenses continuously incurred for maintaining the operational and listing status with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). This is composed of legal fees, stock transfer agent fees and withholding taxes.

4. CAPITAL STOCK

To address the Company's liquidity shortfalls and raise the needed fund for investment into Abacoal, the Company increased its authorized capital stock from Fifty Million Pesos (₱50,000,000.00) divided into Fifty Million (50,000,000) shares to One Hundred Million Pesos (₱100,000,000.00) divided into One Hundred Million (100,000,000) shares, both with a par value of One Peso (₱1.00) per share. The capital increase was approved by the Securities and Exchange Commission on 30 July 2009. To fund the capital increase, the Company entered into private placement transactions with several investors at the price of ₱1.20 per share. Full payment was made to the Company during the first quarter of 2010. Said shares were approved by the Philippine Stock Exchange for listing on July 14, 2010.

On November 6, 2009, the Company entered into another set of investment agreements with various investors wherein the investors agreed to subscribe by way of private placement to 10 million common shares of stock to be issued out of the unissued and unsubscribed portion of the authorized capital stock of the Company. The shares were subscribed at a price of ₱5.05 per share or for a total of ₱50.5 million, of which 25% or ₱12.6 million was paid at that time. The transaction was approved by the BOD on September 14, 2009. The balance of 75% of the gross investment amount was paid in March 2011. Listing application for such shares is currently pending with the PSE.

On Sept. 14, 2010, SEC approved the reduction in the par value of the shares of stock from One Peso (₱1.00) to Ten Centavos (₱0.10). The authorized capital stock of the Corporation shall be One Hundred Million Pesos (₱100,000,000.00) divided into One Billion (1,000,000,000) common shares with par value of Ten Centavos (₱0.10) per share. Also on

the same date, the SEC approved the Amended By-laws providing for the creation, powers and functions of the Nomination, Remuneration, Audit, Executive and Finance Committees of the Company.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱ 1.00) to Ten Centavos (₱ 0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share. Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱ 0.10) per share. On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase in the Company's authorized capital stock.

5. RISK MANAGEMENT

The Company is exposed to a variety of financial risks which resulted from its investing and operating activities. The Company's risk management is coordinated in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium-term cash flows by minimizing the exposure to financial markets.

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

5.1 Credit Risk

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

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

	<u>March 31, 2019</u>	<u>Dec. 31, 2018</u>
Cash	₱ 235,660,316	₱ 237,490,284
Advances to a stockholder	<u>1,762,076</u>	<u>2,042,076</u>
	<u>₱ 237,422,392</u>	<u>₱ 239,532,360</u>

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

(a) Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of ₱0.5 million for every depositor per banking institution. The amount of cash on hand excluded from this insurance to PDIC amounted to ₱4,000 in both periods.

(b) Advances to a Stockholder

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

5.2 Liquidity Risk

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

As at March 31, 2019 and December 31, 2018, the Company's financial liabilities amounting to ₱442,150 and ₱2,103,673, respectively.

6. FINANCIAL INSTRUMENTS

Carrying Amounts and Fair Values By Category

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

	March 31, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱235,660,316	₱235,660,316	₱237,490,284	₱237,490,284
Advances to a stockholder	1,762,076	1,762,076	2,042,076	2,042,076
	₱237,422,392	₱237,422,392	₱239,532,360	₱239,532,360
Financial Liabilities				
Other financial liabilities:				
Accounts payable and accrued expenses (*)	₱442,150	₱442,150	₱ 2,103,673	₱ 2,103,673
	₱442,150	₱442,150	₱ 2,103,673	₱ 2,103,673

(*) Net of taxes

7. OTHERS

- a. These financial reports are prepared in compliance with the quarterly reportorial requirements of the SEC.
- b. There were no material transactions affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.
- c. There were no subsequent material events not reflected in this interim financial statement.
- d. There were no material contingencies and any other events or transactions that are material to the understanding of the interim report.



108062019003790



SECURITIES AND EXCHANGE COMMISSION

SECBuilding, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No. 0000054106

Company Name LODESTAR INVESTMENT HOLDINGS CORPORATION

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 108062019003790

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Period Covered June 30, 2019

No. of Days Late 0

Department CFD

Remarks

SEC Registration Number

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Company Name

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

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

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

Form Type

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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

www.lodestarholdings.com
--

Company's Telephone Number/s

(632) 928-9246

Mobile Number

N/A

No. of Stockholders

60

Annual Meeting

2nd Wednesday of May

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Venus L. Gregorio

Email Address

Nitsbeng.gregoriolaw@my destiny.net
--

Telephone Number/s

(632) 920-9306

Mobile Number

--

Contact Person's Address

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: June 30, 2019
2. SEC Identification Number: 54106
3. BIR Tax Identification No.: 200-751-430-000
4. Exact name of issuer as specified in its charter:

LODESTAR INVESTMENT HOLDINGS CORPORATION

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

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

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

Yes [/] No []

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

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

12. Check whether the issuer:

- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

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

Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [/] No []

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

Yes [/] No []

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See attached “Annex A”

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

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

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- f) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- g) No seasonal or cyclical factor that affected this quarter's interim operations.

Item 2. Management's Discussion and Analysis (MD&A) or Plan of Operations

Plan of Operation

Part III, Paragraph (A) of Annex “C” of the Securities Regulation Code under Rule 12 states that the information under subparagraph (2) thereof is required for companies that are operational and had revenues from its operations. In this light, the foregoing information only tackles Part III, Paragraph (A) (1) of Annex “C”, insofar as applicable.

Business

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

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

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

On July 7, 2005, the Board of Directors approved the write-off of the aforementioned mining properties or claims in its financial statement as of June 30, 2005. The mining properties were reviewed as to impairment in accordance with SFAS 36/IAS 36: Impairment of Assets.

The Board of Directors, during its special meeting held on October 28, 2008, approved the private placement offering of 12,694,000 LIHC shares at the price of ₱ 2.50 per share. On 12 December 2008, the stockholders of the Company likewise approved the capital increase of the Company from ₱50,000,000.00 divided into 50,000,000 shares at ₱1.00 per share to ₱100,000,000.00 divided into 100,000,000 shares at ₱1.00 per share. In line with this application for capital increase, the Board of Directors of the Company, during its special meeting held on 13 March 2009, approved the private placement offering of 14,000,000 shares at the price of ₱1.20 per share. Said private placement funded the increase in authorized capital stock.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱1.00) to Ten Centavos (₱0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On 11 December 2015, during the Annual Stockholders' Meeting of the Company, the shareholders confirmed, ratified and re-adopted the 2009 Stockholders' approval of the increase in the authorized capital stock of LIHC. Said resolution was passed during the 17 December 2009 Annual Meeting wherein shareholders, holding at least 2/3 majority of the outstanding capital stock, voted in favor of the capital increase from one hundred million pesos (₱100,000,000.00) divided into one hundred million (100,000,000) shares at a par value of one Peso (₱1.00) per share to three hundred million Pesos (₱300,000,000.00) divided into three billion (3,000,000,000) shares at the reduced par value of Ten centavos (₱0.10) per share without stockholders' pre-emptive right.

On September 26, 2008, the Board of Directors authorized the Company to enter into a Heads of Agreement with Abacus Consolidated Resources and Holdings, Inc. ("ABACON") and Musx Corporation ("Musx") for the joint acquisition by the Company and Musx of all the outstanding and issued shares of Abacus Coal Exploration and Development Corporation ("ABACOAL") with a sharing arrangement of fifty five percent (55%) for Musix and forty five (45%) for the Company The Company

and Musx have likewise entered into an Agreement for Joint Investment whereby the investment parameters for such investment into ABACOAL were set forth.

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

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

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

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

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

On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase of the Company's authorized capital stock.

Business Plan:

Still in line with the primary purpose of the Company as a holdings corporation, business outlook for 2019 is geared towards looking for other business ventures. Thus, the Company may

again tap into various sources to look for opportunities in the various business sectors that are viable, growing and profitable. The Company's strategy will be to invest, buy-in or acquire businesses where the Company will at least own a significant stake or interest in the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

The Company with the approval of the SEC, implemented an increase in its Authorized Capital. This capital raising plan is intended to provide the Company investable funds and working capital for prospective projects. Specifics of such deals, if any, will be properly disclosed in accordance with the continuing disclosure requirements of the SEC and the PSE.

Likewise, the Company's cash requirements were satisfied from the proceeds/collection of Advances from stockholders and the proceeds of private placements with investors.

Management's Discussion and Analysis for the Interim Period Ended June 30, 2019 as compared with June 30, 2018:

Revenues

The Company did not earn any revenue during the six-month period ended June 30, 2019 as it has not undertaken commercial operations.

Expenses

Expenses went up by ₦ 2.28 thousand or 0.47% from ₦ 481.51 thousand in June 2018 to ₦ 483.80 thousand in June 2019. The increase was attributed mainly to higher expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 442.33 thousand for the interim period ended June 2019 which is 0.38% or ₦1.66 thousand higher as compared to net loss of ₦ 440.67 thousand incurred for the same period in 2018.

Financial Condition

The Company's Total Assets comprising of Current Assets in June 2019 amounting to ₦ 240.26 million which is 0.53% or ₦ 1.27 million lower than that of June 30, 2018 balance amounting to ₦241.53 million.

The Company's Total Liabilities decreased by ₦ 1.03 million or 97.66% from ₦1.05 million in June 2018 to ₦ 24.6 thousand in June 2019.

Stockholders' equity posted a 0.10% or ₦ 242.57 thousand decrease from ₦240.48 million in June 2018 to ₦240.24 million in June 2019, attributable mainly to expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of June 30, 2019 as compared with pro-forma Balance Sheet as of June 30, 2018 (increase/decrease of 5 % or more)

17.2 % or ₦ 366 thousand decrease in advances to a stockholder from ₦ 2.13 million in June 2018 to ₦1.76 million in June 2019. This is due to collections received in 2019.

97.66% or ₦ 1.03 million decrease in liabilities from ₦ 1.05 million in June 2018 to ₦ 24.6 thousand in June 2019 due to partial settlement of payables.

Key Performance Indicators

Considering the Company's non-operational status, the key performance indicators of the Company are as follows:	June 30, 2019	June 30, 2018
Current Ratio (1)	9,767.62x	229.98x
Quick Ratio (2)	9,560.63x	224.87x
Debt-equity ratio (3)	0.0001x	0.0043x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

(1) *Current Assets / Current Liabilities*

June 2019	(₹ 240,263,970 / ₹ 24,598)
June 2018	(₹ 241,532,188 / ₹ 1,050,245)

(2) *Cash / Current Liabilities*

June 2019	(₹ 235,172,373 / ₹ 24,598)
June 2018	(₹ 236,169,155 / ₹ 1,050,245)

(3) *Debt / Equity*

June 2019	(₹ 24,598 / ₹ 240,239,372)
June 2018	(₹ 1,050,245 / ₹ 240,481,943)

(4) *Equity /Subscribed Shares*

June 2019	(₹ 240,239,372 / 3,000,000,000)
June 2018	(₹ 240,841,943 / 3,000,000,000)

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

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

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

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

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

Additional Financial Soundness Indicators

	June 30, 2019	June 30, 2018
Asset to equity ratio (1)	1.00x	1.00x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) Total Assets / Total Equity	
June 2019	(₱ 240,263,970/ ₱ 240,239,372)
June 2018	(₱ 241,532,188/ ₱ 240,481,943)
(2) Income before Interest and Taxes / Interest Expense	
June 2019	N/A
June 2018	N/A
(3) Gross Profit / Sales	
June 2019	N/A
June 2018	N/A

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

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

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

PART II – OTHER INFORMATION

There are no contingent liabilities or contingent assets or known trend and events that may materially affect the company's operation nor are there estimates of amounts reported in prior periods that may have a material effect on the attached financial statements.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Mandaluyong City on August 05, 2019.

By:



CHIHO CO
President



DELFIN S. CASTRO, JR.
Treasurer

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION

" ANNEX A"

	Notes	Unaudited June 30, 2019	Audited Dec 31, 2018
ASSETS			
Current Assets			
Cash and cash equivalents		₽ 235,172,373	₽ 237,494,282
Due from related parties		1,762,076	2,042,076
Other current assets		3,329,521	3,293,719
		₽ 240,263,970	₽ 242,830,077
LIABILITIES & STOCKHOLDERS' EQUITY			
Liabilities			
Accounts payable and accrued expenses	3	₽ 24,598	₽ 2,148,376
Total Liabilities		24,598	2,148,376
Stockholder's Equity			
Capital Stock - P0.10 par value	4	300,000,000	300,000,000
Additional Paid-In Capital		65,714,858	65,714,858
Deficit		(125,475,486)	(125,033,157)
Total Stockholders' Equity		240,239,372	240,681,701
		₽ 240,263,970	₽ 242,830,077

LODESTAR INVESTMENT HOLDINGS CORPORATION
 STATEMENTS OF INCOME
 (Unaudited)

	April 1 to June 30, 2019 (Three Months)	January 1 to June 30, 2019 (Six Months)	April 1 to June 30, 2018 (Three Months)	January 1 to June 30, 2018 (Six Months)
REVENUES	P	P	P	P
EXPENSES	85,304	483,795	81,636	481,514
INCOME (LOSS) BEFORE OTHER LOSSES	(85,304)	(483,795)	(81,636)	(481,514)
INTEREST INCOME	206	41,466	113	40,848
NET INCOME (LOSS)	P (85,098)	P (442,329)	P (81,523)	P (440,666)
NUMBER OF COMMON SHARES	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Loss Per Share	(0.000)	(0.000)	(0.000)	(0.000)

Note: No dividends declared during the period

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Unaudited June 30, 2019	Audited Dec. 31, 2018	Unaudited June 30, 2018	Audited Dec. 31, 2017
CAPITAL STOCK - ₦0.10 par value				
Beginning Balance	₦ 300,000,000	₦ 300,000,000	₦ 300,000,000	₦ 100,000,000
Additional Subscription		-		₦ 200,000,000
Balance at end of period	₦ 300,000,000	₦ 300,000,000	₦ 300,000,000	₦ 300,000,000
ADDITIONAL PAID-IN CAPITAL				
Beginning Balance	₦ 65,714,858	₦ 65,714,858	₦ 65,714,858	₦ 65,714,858
Subscribed		-		-
Balance at end of period	₦ 65,714,858	₦ 65,714,858	₦ 65,714,858	₦ 66,714,858
DEPOSIT FOR FUTURE SUBSCRIPTION	-	-	-	-
DEFICIT				
Beginning Balance	₦ (125,033,157)	₦ (124,792,250)	₦ (124,792,250)	₦ (123,095,367)
Net Income (loss)	(442,329)	(240,907)	(440,666)	(1,696,883)
Balance at end of period	₦ (125,475,486)	₦ (125,033,157)	₦ (125,232,916)	₦ (124,792,250)
STOCKHOLDERS' EQUITY, END	₦ 240,239,372	₦ 240,681,701	₦ 240,481,942	₦ 241,922,608

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

	April 1 to June 30, 2019 (Three Months)	January 1 to June 30, 2019 (Six Months)	April 1 to June 30, 2018 (Three Months)	January 1 to June 30, 2018 (Six Months)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	P (85,098)	P (442,329)	P (81,523)	P (440,666)
Adjustment for:				
Interest Income	<u>(206)</u>	<u>(41,466)</u>	<u>(113)</u>	<u>(40,848)</u>
Net loss before working capital changes	(85,304)	(483,795)	(81,636)	(481,514)
Adjustment to reconcile net loss to net cash provided by operating activities				
Changes in operating assets and liabilities				
Decrease (increase) in :				
Other current assets	11,709	(35,802)	(53)	(30,897)
Increase (decrease) in :				
Accounts payable and accrued expenses	<u>(418,554)</u>	<u>(2,123,778)</u>	<u>67</u>	<u>2,028</u>
Net cash provided by operating activities	<u>(492,149)</u>	<u>(2,643,375)</u>	<u>(81,622)</u>	<u>(510,383)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	206	41,466	113	40,848
Disposals (acquisitions) of property and equipment	-	-	-	-
Net cash used in investing activities	<u>206</u>	<u>41,466</u>	<u>113</u>	<u>40,848</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Collection from a stockholder	-	280,000	50,000	456,816
Receipts of payment of subscription to capital stocks	-	280,000	50,000	456,816
Net cash provided by (used in) financing activities	<u>-</u>	<u>280,000</u>	<u>50,000</u>	<u>456,816</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(491,943)</u>	<u>(2,321,909)</u>	<u>(31,509)</u>	<u>(12,719)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>235,664,316</u>	<u>237,494,282</u>	<u>236,200,664</u>	<u>236,181,874</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>P 235,172,373</u>	<u>P 235,172,373</u>	<u>P 236,169,155</u>	<u>P 236,169,155</u>

LODESTAR INVESTMENT HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with the Philippine Financial Reporting Standards. The company has followed the same accounting policies and methods of computation used with the most recent annual financial statement. No new accounting policy has been adopted for this interim report.

2. RELATED PARTY TRANSACTIONS

In 2012, the Company grants non-interest bearing advances to a stockholder for working capital purposes. The advances to the stockholder are unsecured and are due and demandable anytime. These advances are generally settled in cash.

As at June 30, 2019, based on management's assessment, the outstanding balance of the Company's advances to a stockholder amounting to ₱1,762,076 is not impaired, hence, no impairment loss is recognized.

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of accrued expenses which represent expenses continuously incurred for maintaining the operational and listing status with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). This is composed of legal fees, stock transfer agent fees and withholding taxes.

4. CAPITAL STOCK

To address the Company's liquidity shortfalls and raise the needed fund for investment into Abacoal, the Company increased its authorized capital stock from Fifty Million Pesos (₱50,000,000.00) divided into Fifty Million (50,000,000) shares to One Hundred Million Pesos (₱100,000,000.00) divided into One Hundred Million (100,000,000) shares, both with a par value of One Peso (₱1.00) per share. The capital increase was approved by the Securities and Exchange Commission on 30 July 2009. To fund the capital increase, the Company entered into private placement transactions with several investors at the price of ₱1.20 per share. Full payment was made to the Company during the first quarter of 2010. Said shares were approved by the Philippine Stock Exchange for listing on July 14, 2010.

On November 6, 2009, the Company entered into another set of investment agreements with various investors wherein the investors agreed to subscribe by way of private placement to 10 million common shares of stock to be issued out of the unissued and unsubscribed portion of the authorized capital stock of the Company. The shares were subscribed at a price of ₱5.05 per share or for a total of ₱50.5 million, of which 25% or ₱12.6 million was paid at that time. The transaction was approved by the BOD on September 14, 2009. The balance of 75% of the gross investment amount was paid in March 2011. Listing application for such shares is currently pending with the PSE.

On Sept. 14, 2010, SEC approved the reduction in the par value of the shares of stock from One Peso (₱1.00) to Ten Centavos (₱0.10). The authorized capital stock of the Corporation shall be One Hundred Million Pesos (₱100,000,000.00) divided into One Billion (1,000,000,000) common shares with par value of Ten Centavos (₱0.10) per share. Also on

the same date, the SEC approved the Amended By-laws providing for the creation, powers and functions of the Nomination, Remuneration, Audit, Executive and Finance Committees of the Company.

Per the records of the Corporation, on 24 September 2010, as a result of the approval of the reduction in the par value of the shares of the Company from One Peso (₱ 1.00) per share to Ten Centavos (₱ 0.10) per share, the Philippine Stock Exchange implemented the reduction in the par value and stock split of Lodestar shares. After the reduction in the par value of the shares from One Peso (₱ 1.00) to Ten Centavos (₱ 0.10) the number and price of shares have been adjusted by multiplying the number of shares by ten (number of shares x 10) and inversely, dividing the price by ten (price/10). Resulting adjustments in the amount of shares and values of consideration were accordingly reflected in the books of the Corporation, insofar as all issued and outstanding shares are concerned, including the private placement shares.

On October 25, 2016, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Mr. Nathaniel C. Go for the subscription, via private placement, to two hundred sixty million (260,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the Company's current authorized capital stock of one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share. Likewise, on the same date, the Board of Directors authorized the execution, delivery and implementation of the Subscription Agreement with Ms. Socorro P. Lim, for the subscription, via private placement, to two billion (2,000,000,000) shares at the subscription price of ten centavos (₱ 0.10) per share. The subscribed shares shall be issued out of the increase in the Company's authorized capital stock from one hundred million pesos (₱100,000,000.00) consisting of one billion (1,000,000,000) common shares with a par value of ten centavos (₱ 0.10) per share to three hundred million pesos (₱300,000,000.00) consisting of three billion (3,000,000,000) common shares, with a par value of ten centavos (₱ 0.10) per share. On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase in the Company's authorized capital stock.

5. RISK MANAGEMENT

The Company is exposed to a variety of financial risks which resulted from its investing and operating activities. The Company's risk management is coordinated in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium-term cash flows by minimizing the exposure to financial markets.

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

5.1 Credit Risk

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

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

	<u>June 30, 2019</u>	<u>Dec. 31, 2018</u>
Cash in bank	₱ 235,168,373	₱ 237,490,284
Advances to a stockholder	<u>1,762,076</u>	<u>2,042,076</u>
	<u>₱ 236,930,449</u>	<u>₱ 239,532,360</u>

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

(a) Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of ₱0.5 million for every depositor per banking institution. The amount of cash on hand excluded from this insurance to PDIC amounted to ₱4,000 in both periods.

(b) Advances to a Stockholder

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

5.2 Liquidity Risk

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

As at June 30, 2019 and December 31, 2018, the Company's financial liabilities amounting to ₱23,246 and ₱2,103,673, respectively.

6. FINANCIAL INSTRUMENTS

Carrying Amounts and Fair Values By Category

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

	June 30, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱235,168,373	₱235,168,373	₱237,490,284	₱237,490,284
Advances to a stockholder	1,762,076	1,762,076	2,042,076	2,042,076
	₱236,930,449	₱236,930,449	₱239,532,360	₱239,532,360

Financial Liabilities

Other financial liabilities:

Accounts payable and accrued expenses (*)	₱23,246	₱23,246	₱ 2,103,673	₱ 2,103,673
	₱23,246	₱23,246	₱ 2,103,673	₱ 2,103,673

(*) Net of taxes

7. OTHERS

- a. These financial reports are prepared in compliance with the quarterly reportorial requirements of the SEC.
- b. There were no material transactions affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.
- c. There were no subsequent material events not reflected in this interim financial statement.
- d. There were no material contingencies and any other events or transactions that are material to the understanding of the interim report.



111042019001167

**SECURITIES AND EXCHANGE COMMISSION**SECBuilding, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph**Barcode Page****The following document has been received:****Receiving Officer/Encoder :** Lourence N. Tampus**Receiving Branch :** SEC Head Office**Receipt Date and Time :** November 04, 2019 12:24:36 PM**Received From :** Head Office**Company Representative****Doc Source****Company Information**

SEC Registration No. 0000054106

Company Name LODESTAR INVESTMENT HOLDINGS CORPORATION

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 111042019001167

Document Type 17-Q (FORM 11-Q:QUARTERLY REPORT/FS)

Document Code 17-Q

Period Covered September 30, 2019

No. of Days Late 0

Department CFD

Remarks

COVER SHEET

SEC Registration Number

5	4	1	0	6							
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Company Name

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

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

7	F	P	E	A	K	S	U	N	B	L	D	G	.	,	1	5	0	5	P	R	I	N	C	E	T	O			
N		N	S	T	.	,	C	O	R	S	H	A	W		B	L	V	D	,	B	R	G	Y	.	W	A			
C	K		W	A	C	K	,	G	R	E	E	N	H	I	L	S	E	A	S	T	M	A	N	D	A				
L	U	Y	O	N	G		C	I	T	Y																			

Form Type

1	7	Q	3
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Department requiring the report

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

Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

www.lodestarholdings.com

Company's Telephone Number/s

(632) 8928-9246

Mobile Number

N/A

No. of Stockholders

60

Annual Meeting

Month/Day

2nd Wednesday of May

Fiscal Year

Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Venus L. Gregorio

Email Address

ilodestar@yahoo.com

Telephone Number/s

(632)8920-9306

Mobile Number

Contact Person's Address

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **September 30, 2019**
2. SEC Identification Number: **54106**
3. BIR Tax Identification No.: **200-751-430-000**
4. Exact name of issuer as specified in its charter:

LODESTAR INVESTMENT HOLDINGS CORPORATION

5. **Philippines**
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **7th Floor Peaksun Bldg., 1505 Princeton St.,
Shaw Blvd., Mandaluyong City**
Address of principal office
8. **(632) 8920-9306**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class (Par value: ₱0.10)	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares (issued)	3,000,000,000¹
Common Shares (authorized)	3,000,000,000

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

Yes [/] No []

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

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

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

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

Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [/] No []

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

Yes [/] No []

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See attached “Annex A”

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

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

In this interim period:

- a) There is no known trend, event or uncertainty that has or is reasonably likely to have a negative impact on the Company's short-term or long-term liquidity. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Company to make payments;
- b) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- d) There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
- e) There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- f) There are no significant elements of income or loss that did not arise from the Company's continuing operations;
- g) No seasonal or cyclical factor that affected this quarter's interim operations.

Item 2. Management's Discussion and Analysis (MD&A) or Plan of Operations

Plan of Operation

Part III, Paragraph (A) of Annex “C” of the Securities Regulation Code under Rule 12 states that the information under subparagraph (2) thereof is required for companies that are operational and had revenues from its operations. In this light, the foregoing information only tackles Part III, Paragraph (A) (1) of Annex “C”, insofar as applicable.

Business

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

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

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

On July 7, 2005, the Board of Directors approved the write-off of the aforementioned mining properties or claims in its financial statement as of June 30, 2005. The mining properties were reviewed as to impairment in accordance with SFAS 36/IAS 36: Impairment of Assets.

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

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

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

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

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

On 11 December 2015, during the Annual Stockholders' Meeting of the Company, the shareholders confirmed, ratified and re-adopted the 2009 Stockholders' approval of the increase in the authorized capital stock of LIHC. Said resolution was passed during the 17 December 2009

Annual Meeting wherein shareholders, holding at least 2/3 majority of the outstanding capital stock, voted in favor of the capital increase from one hundred million pesos (₱100,000,000.00) divided into one hundred million (100,000,000) shares at a par value of one Peso (₱1.00) per share to three hundred million Pesos (₱300,000,000.00) divided into three billion (3,000,000,000) shares at the reduced par value of Ten centavos (₱0.10) per share without stockholders' pre-emptive right.

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

On December 8, 2016, the stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase of the Company's authorized capital stock.

Business Plan:

Still in line with the primary purpose of the Company as a holdings corporation, business outlook for 2019 is geared towards looking for other business ventures. Thus, the Company may again tap into various sources to look for opportunities in the various business sectors that are viable, growing and profitable. The Company's strategy will be to invest, buy-in or acquire businesses where the Company will at least own a significant stake or interest in the investee Company's outstanding capital. The said investment amount will allow the Company to recognize its proportionate share of the equitized earnings from its investee companies.

The Company with the approval of the SEC, implemented an increase in its Authorized Capital. This capital raising plan is intended to provide the Company investable funds and working capital for prospective projects. Specifics of such deals, if any, will be properly disclosed in accordance with the continuing disclosure requirements of the SEC and the PSE.

Likewise, the Company's cash requirements were satisfied from the proceeds/collection of Advances from stockholders and the proceeds of private placements with investors.

Management's Discussion and Analysis for the Interim Period Ended September 30, 2019 as compared with September 30, 2018:

Revenues

The Company did not earn any revenue during the nine-month period ended September 30, 2019 as it has not undertaken commercial operations.

Expenses

Expenses went down by ₦ 14.25 thousand or 2.60% from ₦ 547.55 thousand in September 2018 to ₦ 533.30 thousand in September 2019. The decrease was attributed mainly to lower expenses incurred during the period.

Net Loss

After deducting interest income from regular savings account, the Company posted a net loss of ₦ 491.65 thousand for the interim period ended September 2019 which is 2.95% or ₦ 14.92 thousand lower as compared to net loss of ₦ 506.57 thousand incurred for the same period in 2018.

Financial Condition

The Company's Total Assets comprising of Current Assets amount to ₦ 240.21 million which is 0.52% or ₦ 1.26 million lower than that of September 30, 2018 balance amounting to ₦ 241.46 million.

The Company's Total Liabilities decreased by ₦ 1.03 million or 98.51% from ₦ 1.05 million in September 2018 to ₦ 15.62 thousand in September 2019.

Stockholders' equity posted a 0.09% or ₦ 225.99 thousand decrease from ₦ 240.42 million in September 2018 to ₦ 240.19 million in September 2019, attributable mainly to lesser expenses incurred during the period.

Material Changes to the Company's pro-forma Balance Sheet as of September 30, 2019 as compared with pro-forma Balance Sheet as of September 30, 2018 (increase/decrease of 5 % or more)

13.71 % or ₦ 280 thousand decrease in advances to a stockholder from ₦ 2.04 million in September 2018 to ₦ 1.76 million in September 2019. This is due to collections received in 2019.

98.51% or ₦ 1.03 million decrease in liabilities from ₦ 1.05 million in September 2018 to ₦ 15.62 thousand in September 2019 due to partial settlement of payables.

Key Performance Indicators

Considering the Company's non-operational status, the key performance indicators of the Company are as follows:	September 30, 2019	September 30, 2018
Current Ratio (1)	15,375.13x	230.23x
Quick Ratio (2)	15,049.20x	225.20x
Debt-equity ratio (3)	0.000065x	0.004x
Book value per share (4)	0.08x	0.08x
Net Profit Margin (5)	NA	NA

(1) Current Assets / Current Liabilities

September 2019	(₦ 240,205,674 / ₦ 15,623)
September 2018	(₦ 241,464,842 / ₦ 1,048,806)

(2) Cash / Current Liabilities

September 2019	(₦ 235,113,717 / ₦ 15,623)
September 2018	(₦ 236,187,240 / ₦ 1,048,806)

(3) Debt / Equity

September 2019	(₦ 15,623 / ₦ 240,190,051)
September 2018	(₦ 1,048,806 / ₦ 240,416,036)

(4) Equity /Subscribed Shares

September 2019	(₦ 240,190,051 / 3,000,000,000)
September 2018	(₦ 240,416,036 / 3,000,000,000)

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

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

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

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

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

Additional Financial Soundness Indicators

	September 30, 2019	September 30, 2018
Asset to equity ratio (1)	1.00x	1.00x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

<i>(1) Total Assets / Total Equity</i>	
<i>September 2019</i>	<i>(₱ 240,205,674 / ₱240,190,051)</i>
<i>September 2018</i>	<i>(₱ 241,464,842/ ₱240,416,036)</i>
<i>(2) Income before Interest and Taxes / Interest Expense</i>	
<i>September 2019</i>	N/A
<i>September 2018</i>	N/A
<i>(3) Gross Profit / Sales</i>	
<i>September 2019</i>	N/A
<i>September 2018</i>	N/A

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

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

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

PART II – OTHER INFORMATION

There are no contingent liabilities or contingent assets or known trend and events that may materially affect the company's operation nor are there estimates of amounts reported in prior periods that may have a material effect on the attached financial statements.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Mandaluyong City on Nov. 04, 2019.

By:


CHI HO CO
President


DELFIN S. CASTRO, JR.
Treasurer

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION

" ANNEX A"

	Notes	Unaudited September 30, 2019	Audited December 31, 2018
ASSETS			
Current Assets			
Cash and cash equivalents		₽ 235,113,717	₽ 237,494,282
Due from related parties		1,762,076	2,042,076
Other current assets		3,329,881	3,293,719
		₽ 240,205,674	₽ 242,830,077
LIABILITIES & STOCKHOLDERS' EQUITY			
Liabilities			
Accounts payable and accrued expenses	3	₽ 15,625	₽ 2,148,376
Total Liabilities		15,625	2,148,376
Stockholder's Equity			
Capital Stock - P0.10 par value	4	300,000,000	300,000,000
Additional Paid-In Capital		65,714,858	65,714,858
Deficit		(125,524,809)	(125,033,157)
Total Stockholders' Equity		240,190,049	240,681,701
		₽ 240,205,674	₽ 242,830,077

LODESTAR INVESTMENT HOLDINGS CORPORATION
 STATEMENTS OF INCOME
 (Unaudited)

	July 1 to September 30, 2019 (Three Months)	January 1 to September 30, 2019 (Nine Months)	July 1 to September 30, 2018 (Three Months)	January 1 to September 30, 2018 (Nine Months)
REVENUES	P	P	P	P
EXPENSES	49,500	533,295	66,034	547,549
INCOME (LOSS) BEFORE OTHER LOSSES	(49,500)	(533,295)	(66,034)	(547,549)
INTEREST INCOME	177	41,643	129	40,977
NET INCOME (LOSS)	P (49,323)	P (491,652)	P (65,905)	P (506,572)
NUMBER OF COMMON SHARES	3,000,000,000.00	3,000,000,000.00	3,000,000,000	3,000,000,000
Loss Per Share	(0.000)	(0.000)	(0.000)	(0.000)

Note: No dividends declared during the period

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Unaudited September 30, 2019		Audited Dec. 31, 2018		Unaudited September 30, 2018		Audited Dec. 31, 2017	
CAPITAL STOCK - ₦ 0.10 par value								
Beginning Balance	₦	300,000,000	₦	100,000,000	₦	300,000,000	₦	100,000,000
Additional Subscription				200,000,000				200,000,000
Balance at end of period	₦	300,000,000	₦	300,000,000	₦	300,000,000	₦	300,000,000
ADDITIONAL PAID-IN CAPITAL								
Beginning Balance	₦	65,714,858	₦	65,714,858	₦	65,714,858	₦	66,714,858
Subscribed				-				-
Balance at end of period	₦	65,714,858	₦	65,714,858	₦	65,714,858	₦	66,714,858
DEPOSIT FOR FUTURE SUBSCRIPTION		-		-		-		-
DEFICIT								
Beginning Balance	₦	(125,033,157)	₦	(124,792,250)	₦	(124,792,250)	₦	(123,095,367)
Net Income (loss)		(491,652)		(240,907)		(506,572)		(1,696,883)
Balance at end of period	₦	(125,524,809)	₦	(125,033,157)	₦	(125,298,822)	₦	(124,792,250)
STOCKHOLDERS' EQUITY, END	₦	240,190,049	₦	240,681,701	₦	240,416,036	₦	241,922,608

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

	July 1 to September 30, 2019 (Three Months)	January 1 to September 30, 2019 (Nine Months)	July 1 to September 30, 2018 (Three Months)	January 1 to September 30, 2018 (Nine Months)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	P (49,323)	P (491,652)	P (65,905)	P (506,572)
Adjustment for:				
Interest Income	(177)	(41,643)	(129)	(40,977)
Net loss before working capital changes	(49,500)	(533,295)	(66,034)	(547,549)
Adjustment to reconcile net loss to net cash provided by operating activities				
Changes in operating assets and liabilities				
Decrease (increase) in :				
Other current assets	(360)	(36,162)	(570)	(31,467)
Increase (decrease) in :				
Accounts payable and accrued expenses	(8,973)	(2,132,751)	(1,440)	588
Net cash provided by operating activities	<u>(58,833)</u>	<u>(2,702,208)</u>	<u>(68,044)</u>	<u>(578,428)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	177	41,643	129	40,977
Disposals (acquisitions) of property and equipment	-	-	-	-
Net cash used in investing activities	<u>177</u>	<u>41,643</u>	<u>129</u>	<u>40,977</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment (Collection) from a stockholder	-	280,000	86,000	542,817
Receipts of payment of subscription to capital stocks	-	-	-	-
Net cash provided by (used in) financing activities	<u>-</u>	<u>280,000</u>	<u>86,000</u>	<u>542,817</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(58,656)	(2,380,565)	18,085	5,366
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>235,172,373</u>	<u>237,494,282</u>	<u>236,169,155</u>	<u>236,181,874</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>P 235,113,717</u>	<u>P 235,113,717</u>	<u>P 236,187,240</u>	<u>P 236,187,240</u>

LODESTAR INVESTMENT HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with the Philippine Financial Reporting Standards. The company has followed the same accounting policies and methods of computation used with the most recent annual financial statement. No new accounting policy has been adopted for this interim report.

2. RELATED PARTY TRANSACTIONS

In 2012, the Company grants non-interest bearing advances to a stockholder for working capital purposes. The advances to the stockholder are unsecured and are due and demandable anytime. These advances are generally settled in cash.

As at September 30, 2019, based on management's assessment, the outstanding balance of the Company's advances to a stockholder amounting to ₱1,762,076 is not impaired, hence, no impairment loss is recognized.

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of accrued expenses which represent expenses continuously incurred for maintaining the operational and listing status with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). This is composed of legal fees, stock transfer agent fees and withholding taxes.

4. CAPITAL STOCK

On Sept. 14, 2010, SEC approved the reduction in the par value of the shares of stock from One Peso (₱1.00) to Ten Centavos (₱0.10). The authorized capital stock of the Corporation shall be One Hundred Million Pesos (₱100,000,000.00) divided into One Billion (1,000,000,000) common shares with par value of Ten Centavos (₱0.10) per share. Also on the same date, the SEC approved the Amended By-laws providing for the creation, powers and functions of the Nomination, Remuneration, Audit, Executive and Finance Committees of the Company.

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

stockholders representing approximately 67.23 % of the outstanding capital stock of the Company affirmed, ratified and re-adopted the increase in the authorized capital stock of the Company which was approved by the Board of Directors on November 6, 2009 and by shareholders owning and representing more than 2/3 of the authorized capital stock on December 17, 2009. The stockholders in the same manner, approved the sales and issuance of a total of two billion two hundred sixty million (2,260,000,000) common shares, listing of said shares in the Philippine Stock Exchange ("PSE") and waiver of the requirement to conduct a rights or public offering of the shares approved by a majority vote representing the outstanding shares held by the minority present or represented in said meeting.

On June 14, 2017, the Securities and Exchange Commission approved the increase in the Company's authorized capital stock.

5. RISK MANAGEMENT

The Company is exposed to a variety of financial risks which resulted from its investing and operating activities. The Company's risk management is coordinated in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium-term cash flows by minimizing the exposure to financial markets.

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

5.1 Credit Risk

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

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

	<u>Sept 30, 2019</u>	<u>Dec. 31, 2018</u>
Cash in Bank	₱ 235,112,067	₱ 237,490,282
Advances to a stockholder	<u>1,762,076</u>	<u>2,042,076</u>
	<u>₱ 236,874,143</u>	<u>₱ 239,532,358</u>

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

(a) Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of ₱0.5 million for every depositor per banking institution. The amount of cash on hand excluded from this insurance to PDIC amounted to ₱1,650 and ₱4,000 in September 30, 2019 and December 31, 2018 respectively.

(b) Advances to a Stockholder

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

5.2 Liquidity Risk

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

As at September 30, 2019 and December 31, 2018, the Company's financial liabilities amounting to ₡14,246 and ₡2,103,673, respectively.

6. FINANCIAL INSTRUMENTS

Carrying Amounts and Fair Values By Category

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

	September 30, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱235,112,067	₱235,112,067	₱237,490,282	₱237,490,282
Advances to a stockholder	1,762,076	1,762,076	2,042,076	2,042,076
	₱236,874,143	₱236,874,143	₱239,532,358	₱239,532,358

Financial Liabilities

Other financial liabilities:

Accounts payable and accrued expenses (*)	₱14,246	₱14,246	₱ 2,103,673	₱ 2,103,673
	₱14,246	₱14,246	₱ 2,103,673	₱ 2,103,673

(*) Net of taxes

7. OTHERS

- a. These financial reports are prepared in compliance with the quarterly reportorial requirements of the SEC.
- b. There were no material transactions affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.
- c. There were no subsequent material events not reflected in this interim financial statement.
- d. There were no material contingencies and any other events or transactions that are material to the understanding of the interim report.

LODESTAR INVESTMENT HOLDINGS CORPORATION

7th Floor Peaksun Bldg., Princeton St., Brgy. Greenhills East Wackwack, Mandaluyong City

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS

The Stockholders of Lodestar Investment Holdings Corporation ("Corporation"), a corporation duly organized and existing under the laws of the Philippines with office address at the 7th Floor Peaksun Bldg., Princeton St., Brgy. Greenhills East Wackwack, Mandaluyong City, held its Annual Meeting on 13 December 2018 at 1:00pm at its principal office. During the meeting, stockholders representing approximately 85.60% of the outstanding capital stock of the Company were present in person or by proxy thereby constituting more than 2/3 majority of the outstanding and issued capital stock of the Corporation.

Atty. Antonio V.F. Gregorio III acted as Chairman of the meeting. *Atty. Venus L. Gregorio* acted as Secretary of the meeting and recorded the minutes thereof.

1. CALL TO ORDER

The Chairman called the meeting to order at 1:00 pm after the Secretary certified on the existence of quorum.

2. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 18 DECEMBER 2017

The Chairman informed the Shareholders of the need to approve and ratify the minutes of the 2017 Annual Stockholders' Meeting held on 18 December 2017. The reports were earlier circulated among the shareholders and a reading of the minutes was dispensed with. After a motion was duly made and seconded, the Shareholders voted to approve the minutes of the 2017 Annual Stockholders' Meeting held on 18 December 2017.

3. ADOPTION OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Chairman proceeded to discuss the next item in the Agenda on the approval of the Audited Financial Statements for the year 2017. The Audited FS have been previously disclosed through the PSE website and attached to the Form 20-IS which were distributed to the stockholders for purposes of the meeting. Upon motion made and seconded, the Shareholders approved and adopted the Audited Financial Statement of the Company for the year 2017.

4. ANNUAL REPORT OF THE PRESIDENT / CHAIRMAN

The President delivered his 2018 Annual Report on the financial highlights of the Corporation. After the report, a motion was made for the approval of the President's Report and that the same be appended to the minutes of this meeting. After deliberation, the Shareholders voted to approve the President's Report and to append the same to the minutes of the meeting.

5. ELECTION OF DIRECTORS

The Corporate Secretary certified to the list of nominees for Directors who were nominated in accordance with the By-laws of the Corporation. A motion was made that all shares present or represented during the meeting be voted in favor of the election of the nominees. After tallying of the votes, it was confirmed that 85.60% of the total outstanding shares of the Company voted in favor of the election of the following Directors:

Name	Nationality
Antonio Victoriano F. Gregorio III	Filipino
Chi Ho Co	Filipino
Delfin S. Castro, Jr.	Filipino
Richard N. Palou	Filipino
Ramoncito B. Cabalu	Filipino
Felixes G. Latonero (Independent Director)	Filipino
Manuel G. Ong (Independent Director)	Filipino

Messrs. Latonero and Ong submitted their credentials to support their qualifications for the positions of Independent Directors. The Company adopts SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and compliance therewith has been made. The Company always undertakes to abide by the existing SRC Rule 38 on the required number of independent directors subject to any revision that may be prescribed by the SEC.

6. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE PERIOD COVERED FROM THE LAST ANNUAL STOCKHOLDERS MEETING OF THE CORPORATION HELD ON 18 DECEMBER 2017 TO 13 DECEMBER 2018

The Chairman informed the Shareholders of the need to approve and ratify all acts of the Board of Directors and Management from the date of the 2017 Stockholders' Meeting. Said acts, which were duly reported in SEC Forms 17-C and corresponding PSE disclosures consist of the following:

Date	Results of Meeting, Action and Report																
18 December 2017	<p>Result of the Annual Stockholders' Meeting</p> <ul style="list-style-type: none"> 1. Approval of the Minutes of the Annual Stockholders' Meeting held on 8 December 2016. 2. Adoption of the Audited Financial Statements and Annual Reports for the calendar year ended 31 December 2016. 3. Annual Report of the President / Chairman. 4. Election of the following directors: <table border="1"> <thead> <tr> <th>Director</th> <th>Nationality</th> </tr> </thead> <tbody> <tr> <td>Antonio Victoriano F. Gregorio III</td><td>Filipino</td></tr> <tr> <td>Chi Ho Co</td><td>Filipino</td></tr> <tr> <td>Delfin S. Castro, Jr.</td><td>Filipino</td></tr> <tr> <td>Richard N. Palou</td><td>Filipino</td></tr> <tr> <td>Ramoncito B. Cabalu</td><td>Filipino</td></tr> <tr> <td>Felixes G. Latonero (Independent Director)</td><td>Filipino</td></tr> <tr> <td>Manuel G. Ong (Independent Director)</td><td>Filipino</td></tr> </tbody> </table> <p>Messrs. Latonero and Ong submitted their credentials to support their qualifications for the positions of Independent Directors. The Company adopts SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and compliance therewith has been made. The Company always undertakes to abide by the existing</p>	Director	Nationality	Antonio Victoriano F. Gregorio III	Filipino	Chi Ho Co	Filipino	Delfin S. Castro, Jr.	Filipino	Richard N. Palou	Filipino	Ramoncito B. Cabalu	Filipino	Felixes G. Latonero (Independent Director)	Filipino	Manuel G. Ong (Independent Director)	Filipino
Director	Nationality																
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Manuel G. Ong (Independent Director)	Filipino																

	<p>SRC Rule 38 on the required number of independent directors subject to any revision that may be prescribed by the SEC.</p> <p>5. Authorization upon the Board of Directors to appoint the Company's external auditor for 2017.</p> <p>6. Approval of all acts of the Board of Directors and Management for the period covered from the last Annual Stockholders Meeting of the Corporation held on 8 December 2016 to the date of the 2017 Annual Stockholders Meeting.</p>																																																		
18 December 2017	<p>At the organizational meeting of the Board of Directors the following transpired:</p> <p>1. Election of the officers of the Corporation:</p> <table border="1"> <tr> <td>Chairman</td> <td>Antonio Victoriano F. Gregorio III</td> </tr> <tr> <td>President</td> <td>Chi Ho Co</td> </tr> <tr> <td>Treasurer & CFO</td> <td>Delfin S. Castro, Jr.</td> </tr> <tr> <td>Corporate Secretary, Corporate Information Officer & Compliance Officer</td> <td>Venus L. Gregorio</td> </tr> </table> <p>2. Appointment of members to the following Committees:</p> <table border="1"> <tr> <td colspan="2">Executive Committee</td> </tr> <tr> <td>Antonio Victoriano F. Gregorio III</td> <td>Chairman</td> </tr> <tr> <td>Richard N. Palou</td> <td>Member</td> </tr> <tr> <td>Chi Ho Co</td> <td>Member</td> </tr> <tr> <td>Manuel G. Ong</td> <td>Member</td> </tr> </table> <table border="1"> <tr> <td colspan="2">Governance Committee</td> </tr> <tr> <td>Manuel G. Ong</td> <td>Chairman</td> </tr> <tr> <td>Felixes G. Latonero</td> <td>Member</td> </tr> <tr> <td>Richard N. Palou</td> <td>Member</td> </tr> </table> <table border="1"> <tr> <td colspan="2">Nominations Committee</td> </tr> <tr> <td>Antonio Victoriano F. Gregorio III</td> <td>Chairman</td> </tr> <tr> <td>Chi Ho Co</td> <td>Member</td> </tr> <tr> <td>Manuel G. Ong</td> <td>Member</td> </tr> </table> <table border="1"> <tr> <td colspan="2">Audit Committee</td> </tr> <tr> <td>Manuel G. Ong</td> <td>Chairman</td> </tr> <tr> <td>Chi Ho Co</td> <td>Member</td> </tr> <tr> <td>Antonio Victoriano F. Gregorio III</td> <td>Member</td> </tr> </table> <table border="1"> <tr> <td colspan="2">Compensation Committee</td> </tr> <tr> <td>Manuel G. Ong</td> <td>Chairman</td> </tr> <tr> <td>Delfin S. Castro, Jr.</td> <td>Member</td> </tr> <tr> <td>Richard N. Palou</td> <td>Member</td> </tr> </table>	Chairman	Antonio Victoriano F. Gregorio III	President	Chi Ho Co	Treasurer & CFO	Delfin S. Castro, Jr.	Corporate Secretary, Corporate Information Officer & Compliance Officer	Venus L. Gregorio	Executive Committee		Antonio Victoriano F. Gregorio III	Chairman	Richard N. Palou	Member	Chi Ho Co	Member	Manuel G. Ong	Member	Governance Committee		Manuel G. Ong	Chairman	Felixes G. Latonero	Member	Richard N. Palou	Member	Nominations Committee		Antonio Victoriano F. Gregorio III	Chairman	Chi Ho Co	Member	Manuel G. Ong	Member	Audit Committee		Manuel G. Ong	Chairman	Chi Ho Co	Member	Antonio Victoriano F. Gregorio III	Member	Compensation Committee		Manuel G. Ong	Chairman	Delfin S. Castro, Jr.	Member	Richard N. Palou	Member
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Richard N. Palou	Member																																																		
31 January 2018	<p>Meeting of the Board of Directors where the following were approved and ratified:</p> <p>1. Appointment of Mangay-ayam, Lim & Co. CPAs as the External Auditor for the year ended 31 December 2017.</p> <p>2. Postponement of the Annual Stockholders' Meeting scheduled to be held on 2nd Thursday of May to a specific date and time to be determined by the President and / or Chairman.</p>																																																		

5 April 2018	Meeting of the Board of Directors where the following were approved and ratified: Board Approval of the Annual Audited Financial Statements and Annual Report for the year ended 31 December 2017.
24 August 2018	Meeting of the Board of Directors where the following were approved and ratified: 1. Approval of the Amended Code of Business Conduct and Ethics a copy of which is hereto attached. 2. The President, effective immediately, likewise appointed Venus L. Gregorio as Investor Relations Officer.

7. APPOINTMENT OF THE COMPANY'S EXTERNAL AUDITOR

The Chairman discussed the need to appoint and confirm the appointment of the Company's External Auditor for the calendar year 2018. Upon motion made and seconded, the Shareholders approved the appointment of Punongbayan and Araullo as the Company's External Auditor for the calendar year 2018.

8. ADJOURNMENT

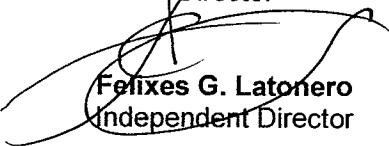
There being no further business to transact, the meeting thereupon adjourned.

Attest:


Antonio Victoriano F. Gregorio III
Chairman of the Meeting


Chi Ho Co
President


Ramoncito B. Cabalu
Director


Felixes G. Latonero
Independent Director


Venus L. Gregorio
Secretary of the Meeting


Delfin S. Castro, Jr.
Director / Treasurer


Richard N. Palou
Director

REPUBLIC OF THE PHILIPPINES)
 QUEZON CITY) S.S

CERTIFICATION

I, **Venus L. Gregorio**, Filipino, of legal age, with office address at the 7th Flr., Peaksun Bldg, Princeton St., Greenhills East Wackwack, Mandaluyong City, after having been sworn in accordance with law hereby depose and state that:

1. I am the Corporate Secretary of Lodestar Investment Holdings Corporation with office address at the 7th Flr., Peaksun Bldg, Princeton St., Greenhills East Wack wack, Mandaluyong, City.
2. As certified to by, and based on the curriculum vitae of directors, officers and nominees for directors submitted to the Company, none of them are connected with any government agencies or instrumentalities.

Done this OCT 24 2019 day of October 2019 at Quezon City.

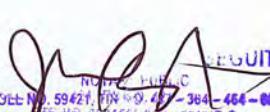


Atty. Venus L. Gregorio
Affiant

SUBSCRIBED AND SOWRN to before me this day of October 2019, at Quezon City, affiant exhibiting to me her Passport No. expiring on .

Notary Public

Doc No. 73;
 Page No. 15;
 Book No. X;
 Series of 2019.


NOTARY PUBLIC
 ROLL NO. 59421 DIV. NO. 47 - 364 - 464 - 000
 ITR NO. 7374566 D104/2019/Q.C.
 ITR NO. 097646 D104/2019 Q.C.
 MGLB NO. 097646 D104/2019 Q.C.
 ABM. MATTER NO. NP - 035 (2019 - 2020)
 ABB: 118 WEBT AVENUE, BROK. PHILAM QUEZON CITY

REPUBLIC OF THE PHILIPPINES)
 QUEZON CITY)S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, FELIXES G. LATONERO, Filipino, of legal age, with address at _____, after having been sworn in accordance with law hereby depose and state that:

1. I am a nominee for independent director of Lodestar Investment Holdings Corporation and have been its independent director from 13 April 2011 to 8 December 2016 and from 18 December 2017 up to present.
2. I am affiliated with the following companies and organizations:

Company / Organization	Position / Relationship	Period of Service
Nontrad Advertising	President	2003 - present
FGL Modular Cabinet System Inc.	President	2003 - present
Geograce Resources International Inc.	Independent Director	2016 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lodestar Investment Holdings Corporation as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director, officer, substantial shareholder of Lodestar Investment Holdings Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
	NONE	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

Offense Charged / Investigated	Tribunal Agency Involved	Status
	NONE	

6. I am not affiliated with any government agency or government owned and controlled corporations.
7. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Lodestar Investment Holdings Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this ____ day of _____ at Quezon City.

OCT 24 2019

FELIXES G. LATONERO
Affiant

SUBSCRIBED AND SOWRN to before me this OCT 24 2019, at
Quezon City, affiant exhibiting to me his Driver's License No. 123456789 expiring on
(

Doc No. PD;
Page No. 1;
Book No. A;
Series of 7174

NOTARY JOHN RYAN E. SEGUIT
NOTARY PUBLIC
ROLL NO. 59421, TIN NO. 427-364-464-000
PTR NO. 7374560 01/04/2019 Q.C.
IBP NO. #975446 01/04/2019 Q.C.
MCLE COMPLIANT
ADM. MATTER NO. NP-025 (2019 - 2020)
ADD: 112 WEST AVENUE, BINGY, PHILAM QUEZON CITY

REPUBLIC OF THE PHILIPPINES
QUEZON CITY

)
) S.S

CERTIFICATION OF INDEPENDENT DIRECTOR

I, LEONARDO B. CUA, Filipino, of legal age, with address at 501 M. L. Quezon Street, Dizon, Quezon, after having been sworn in accordance with law hereby depose and state that:

1. I am a nominee for independent director of Lodestar Investment Holdings Corporation.

2. I am affiliated with the following companies or organizations:

Company / Organization	Position / Relationship	Period of Service
JMC Derm Specialist Clinic	Co-owner	2003 to present
Dizon Copper-Silver Mines, Inc.	Cosmetic Surgeon	2014 to present
Nihao Mineral Resources International Inc.	Director	2012 to present
Philippine Medical Association	Independent Director	2017 to present
Philippine Society of Anesthesiologists	Member	1981 to present
	Senior Member	1987 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lodestar Investment Holdings Corporation as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director, officer, substantial shareholder of Lodestar Investment Holdings Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
	NONE	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

Offense Charged / Investigated	Tribunal Agency Involved	Status
	NONE	

6. I am not affiliated with any government agency or government owned and controlled corporations.

7. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of Lodestar Investment Holdings Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this OCT 24 2019 day of QUEZON CITY at _____.


LEONARDO B. CUA, MD
Affiant

SUBSCRIBED AND SWORN to before me this OCT 24 2019 day of QUEZON CITY, at QUEZON CITY, affiant exhibiting to me his _____.

Doc No. 71;
Page No. 1;
Book No. 7;
Series of 2021.


ATTY. JOHN RYAN E. SEGUIT
NOTARY PUBLIC
ROLL NO. 59421 TIN NO. 427-044-464-000
PTR NO. 7324560 01/04/2019/Q.C.
IBP NO. 097649/0104/2019 Q.C.
MCLE COMP. VI - 0025444 04/14/2022
ADM. MATTER NO. NP - 025 (2019 - 2020)
ADD: 112 WEST AVENUE, BRGY. PHILAM QUEZON CITY