COVER SHEET

SEC Registration Number

5 4 1 0 6

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 T H   F L O O R   P E A K S U N   B L D G .,   1 5 0 5

P R I N C E T O N   S T .,   B R G Y   G R E E N H I L L S

E A S T   W A C K W A C K   M A N D A L U Y O N G   C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
17Q3 2015	C R M D	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	(632) 9289246	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
59	2nd Thursday of May	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Venus L. Gregorio	attybal@yahoo.com	(632) 9289246	N/A

Contact Person's Address

45 South Maya, Philam Homes, Quezon City

Note: In case of death, resgination 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, 2015**

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** — **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	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
(Par value: P0.10)	
Common Shares (issued)	**740,000,000**[1]
Common Shares (authorized)	**1,000,000,000**

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;

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

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

Plan of Operation

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

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

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

On November 3, 2010, ABACOAL and the Company further revised the terms of the Heads of Agreement and agreed that the Company shall acquire the Coal property and all the other assets and liabilities of ABACOAL by and through a merger, with the Company as the surviving entity. By virtue of said merger, the Company shall issue 250,000,000 new common shares at a par value of P0.10 and an agreed issue value of P0.90 to ABACOAL.

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

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

Meantime, in line with the primary purpose of the Company as a holdings corporation, business outlook for 2015 and 2016 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.

Currently, the Company is exploring potential property projects that will ride on the robust growth by the country's Gross Domestic Product (GDP) for 2015 and projected 2016 of around 6% to 6.5%; and about the same levels well into 2020 according to National Economic Development Authority (NEDA), the Asian Development Bank, and the World Bank, and regional economic think-tank group Information Handling Services Singapore Asia-Pacific.

The Philippine property sector has seen a robust growth in the last years, with the emergence of the Service Sector, particularly the Business Process Outsourcing (BPO's) as a major source of tenants for commercial office space. The Service Sector accounted for 57% of GDP growth in 2014 of 6.2%, and this sector is expected to account for high demand for office space and a driver for growth in the real estate sector and the economy in general. For 2014, about 80% of office take was accounted for by the BPOs.

The Company intends to tap into the existing access of its Board and associates for real estate projects. A major option shall be a real estate project geared towards addressing the burgeoning demand for office space, particularly of the BPOs, in Metro Manila and the rural-urban fringes, where it may prove compelling to invest and expect reasonable returns for the Company's stakeholders. A more definitive plan towards putting this potential real estate into reality will be explored in the next twelve (12) months.

Within the next twelve (12) months, subject to stockholder's confirmation of the increase in authorized capital stock and SEC approval thereof, the Company may increase 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, for the next twelve (12) months, the Company's cash requirements will be satisfied from the proceeds/ collection of advances from stockholder.

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.

Management's Discussion and Analysis for the Interim Period Ended September 30, 2015 as compared with September 30, 2014:

Revenues
The Company did not earn any revenue during the nine-month period ended September 30, 2015 as it has not undertaken commercial operations.

Operating Expenses
Operating expenses increased by ₱402 thousand or 281% from ₱ 143 thousand in September, 2014 to ₱545 thousand in September, 2015 due to higher expenses incurred in connection with legal fees paid.

Net Loss
After deducting minimal interest income from regular savings account, the Company posted a net loss of ₱20.5 Million for the period ended Sept., 2015 which is 14,273% or ₱20.4 Million thousand lower as compared to net loss of ₱143 thousand for the same period in 2014.

Material Changes to the Company's Income Statement as of Sept. 30, 2015 as compared with Sept. 30, 2014:

As compared with the same period in 2014, the net effect of following expenses contributed to the increase in operating expenses of ₱402 thousand:

1. Legal Fees – 96% of the operating expenses or ₱ 388 thousand paid in 2015 which was not existing for the previous year 2014
2. The other 4% comes from Director's Fee which slightly increases from ₱55 thousand in 2014 to ₱72 for 2015.

Financial Condition

The Company's Total Assets comprised of almost all Current Assets and a very minimal amount of undepreciated Non-Current Asset. The Total Assets as of September 30, 2015 amounting to ₱22.732 million was 51% or ₱ 21.44 million lower than that of September 30, 2014, which amounted to ₱44.172 million. Total Assets in 2015 is comprised of ₱13.3 Million Cash, ₱ 1.8 million advances to a stockholder, ₱7.5 million Other Current Asset and office equipment net of accumulated depreciation of ₱ 1 thousand.

The Company's Total Liabilities were comprised of accounts payable and advances from third parties. The Total Liabilities increased by ₱ 779 thousand or 2,212% from ₱35 thousand in September 2014 to ₱814 thousand in September 2015.

Stockholders' equity posted a 50 % or ₱ 22.2 million decrease from ₱44.2 million in September 2014 to ₱21.9 million in September 2015.

Material Changes to the Company's pro-forma Balance Sheet as of September 30, 2015 as compared with pro-forma Balance Sheet as of September 30, 2014 (increase/decrease of 51 % or more)

7,338% or ₱ 13.106 Million increase in Cash and cash equivalents from ₱ 178 thousand in September 2014 to ₱ 13.284 million in September 2015. The significant increase is due to down payment on the cancellation ABACORE investment.

37% or ₱ 1.1 million decrease in Advances to a stockholder due to partial payment of advances.

88% or ₱ 3.5 million increase in other current assets from ₱ 4.03 million in September 2014 to ₱7.59 million in September 2015. The increase is brought about by receivables from cancellation of agreement of ABACORE.

2,211% or ₱ 779 thousand increase in liabilities from ₱ 35 thousand in September 2014 to ₱814 thousand in September 2015 due to accrual of expenses.

23% or ₱ 22.2 million increase in deficit due to losses incurred during the period.

Key Performance Indicators

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

	September 30, 2015	**September 30, 2014**
Current Ratio (1)	27.92x	203.54x
Quick Ratio (2)	16.32x	5.07 x
Debt-equity ratio (3)	0.0371x	0.0008x
Book value per share (4)	0.03x	0.06x
Net Profit Margin (5)	NA	NA

(1) Current Assets / Current Liabilities
Sept. 2015 (₱ 22,731,428/ ₱ 814,055)
Sept. 2014 (₱ 7,167,808/ ₱ 35,216)
(2) Cash / Current Liabilities
Sept. 2015 (₱ 13,284,323/ ₱ 814,055)
Sept. 2014 (₱ 178,598/ ₱ 35,216)
(3) Debt / Equity
Sept. 2015 (₱814,055/ ₱21,918,454)
Sept. 2014 (₱35,216/ ₱44,137,124)

(4) Equity /Subscribed Shares
Sept. 2015 (₱21,918,454/740,000,000)
Sept 2014 (₱44,137,124/740,000,000)

The Current Ratio is the general measure of a company's liquidity. It represents the ratio of all current assets to all current liabilities. It is sometimes called the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities. Current ratio is lower than the same period last year due to higher unpaid 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 lower as compared to the same period of last year due to higher unpaid payables.

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 higher as compared with that of last year due to higher liabilities.

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

	Sept. 30, 2015	**Sept. 30, 2014**
Asset to equity ratio (1)	1.04x	1.00x
Interest Rate coverage ratio (2)	NA	NA
Gross Profit Margin (3)	NA	NA

(1) Total Assets / Total Equity
Sept. 2015 (₱ 22,732,428/ ₱21,918,454)
Sept 2014 (₱ 44,172,340/ ₱ 44,137,124)
(2) Income before Interest and Taxes / Interest Expense
Sept 2015
Sept 2014
(3) Gross Profit / Sales
Sept 2015
Sept 2014

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 November on 12 2015.

By:

CHI HO CO
President

JOSE FRANCISCO MIRANDA
Treasurer

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION

	Notes	Unaudited Sept. 30, 2015		Audited Dec 31, 2014
ASSETS				
Current Assets				
Cash and cash equivalents	₱	13,284,323	₱	383,754
Advances to a stockholder		1,857,076		2,457,076
Other current assets		7,590,030		4,030,665
Total Current Assets		22,731,428		6,871,495
Non - current assets				
Deposit for future stock investment		-		37,000,000
Property and Equipment (net)		1,081		3,670
Total Non-Current Assets		1,081		37,003,670
	₱	22,732,509	₱	43,875,165
LIABILITIES & STOCKHOLDERS' EQUITY				
Liabilities				
Accounts payable and accrued expenses	₱	811,006	₱	783,169
Advances from third parties		3,049		3,049
Total Liabilities		814,055		786,218
Stocholder's Equity				
Capital Stock - P0.10 par value		74,000,000		74,000,000
Additional Paid-In Capital		66,714,858		66,714,858
Deficit		(118,796,404)		(97,625,911)
Total Stockholders' Equity		21,918,454		43,088,947
	₱	22,732,509	₱	43,875,165

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF INCOME
(Unaudited)

		July 1 to Sept. 30, 2015 (Three Months)	Jan to Sept. 30, 2015 (Nine Months)	July 1 to Sept. 30, 2014 (Three Months)	Jan to Sept. 30, 2014 (Nine Months)
REVENUES	P				
EXPENSES		545,742	1,172,110	143,034	911,708
INCOME (LOSS) BEFORE OTHER LOSSES		(545,742)	(1,172,110)	(143,034)	(911,708)
INTEREST INCOME		1,307	1,617	104	512
PROFIT(LOSS) ON SALE OF ASSET		(20,000,000)	(20,000,000)		
NET INCOME (LOSS)	P	(20,544,435)	(21,170,494)	(142,930)	(911,196)
WEIGHTED AVE. NUMBER OF COMMON SHARES		740,000,000	740,000,000	740,000,000	740,000,000
Loss Per Share		(0.028)	(0.029)	(0.000)	(0.001)

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY

		Unaudited Sept. 30, 2015		Audited Dec. 31, 2014		Unaudited Sept. 30, 2014		Audited Dec. 31, 2013
CAPITAL STOCK - P 0.10 par value								
Beginning Balance	P	74,000,000	P	74,000,000	P	74,000,000	P	74,000,000
Subscribed				-		-		
Balance at end of period	P	74,000,000	P	74,000,000	P	74,000,000	P	74,000,000
ADDITIONAL PAID-IN CAPITAL								
Beginning Balance	P	66,714,858	P	66,714,858	P	66,714,858	P	66,714,858
Subscribed		-		-				
Balance at end of period	P	66,714,858	P	66,714,858	P	66,714,858	P	66,714,858
DEFICIT								
Beginning Balance	P	(97,625,911)	P	(95,666,537)	P	(95,666,537)	P	(92,435,860)
Net Income (loss)		(21,170,493)		(1,959,374)		(911,197)		(3,230,677)
Balance at end of period	P	(118,796,404)	P	(97,625,911)	P	(96,577,734)	P	(95,666,537)
STOCKHOLDERS' EQUITY, END	P	21,918,454	P	43,088,947	P	44,137,124	P	45,048,321

LODESTAR INVESTMENT HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

		July 1 to Sept. 30, 2015 (Three Months)		Jan 1 to Sept. 30, 2015 (Nine Months)		July 1 to Sept. 30, 2014 (Three Months)		Jan 1 to Sept. 30, 2014 (Nine Months)
CASH FLOWS FROM OPERATING ACTIVITIES								
Income (loss) before income tax	₱	(20,544,435)	₱	(21,170,494)	₱	(142,930)	₱	(911,196)
Adjustment for:								
Realized FV loss on AFS								
Depreciation		861		2,589		862		2,588
Interest Income		(1,307)		(1,617)		(102)		(511)
Net loss before working capital changes		(20,544,881)		(21,169,522)		(142,170)		(909,119)
Adjustment to reconcile net loss to net cash provided by operating activities								
Changes in operating assets and liabilities								
Decrease (increase) in :								
Other current assets		(3,500,000)		(3,559,365)		4,883		(52,446)
Increase (decrease) in :								
Accounts payable and accrued expenses		96,320		27,837		2,411		(20,089)
Net cash provided by operating activities		(23,948,561)		(24,701,050)		(134,876)		(981,654)
Interest Received		1,307		1,617		102		511
Net cash from operating activities		(23,947,254)		(24,699,433)		(134,774)		(981,143)
CASH FLOWS FROM INVESTING ACTIVITIES								
Net proceeds from sale and purchase of available-for-sale financial assets		-		-		-		-
Additional deposit for acquisition of 100% shares of Abacoal		-		-		-		-
Disposals (acquisitions) of property and equipment		-		-		-		-
Net cash used in investing activities		-		-		-		-
CASH FLOWS FROM FINANCING ACTIVITIES								
Deposit for future stock investment		37,000,000		37,000,000				
Advances from stockholders				600,000		-		669,696
Receipts of payment of subscription to capital stocks								
Net cash provided by (used in) financing activities		37,000,000		37,600,000		-		669,696
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		13,052,746		12,900,567		(134,774)		(311,447)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		231,575		383,754		313,372		490,045
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱	13,284,321	₱	13,284,321	₱	178,598	₱	178,598

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, 2015, based on management's assessment, the outstanding balance of the Company's advances to a stockholder amounting to Php 1,857,076 is not impaired, hence, no impairment loss is recognized.

3. DEPOSIT FOR FUTURE STOCK INVESTMENT

This account pertains to amount of deposits made in 2009 to Abacus Consolidated Resources Holdings, Inc. (Abacon) for the Company's and MSC's joint acquisition of Abacoal, pursuant to the Agreement for Joint Investment executed by the company and Music Semi Conductors Corporation (MSC) on September 24, 2008. This agreement has already been amended on 21 May 2009 resulting in the assignment by MSC of all its rights to acquire Abacoal's shares of stock to the company.

On July 21, 2015, the Company entered into cancellation of the Heads of Agreement between ABACORE and ABACOAL which also necessitated disapproval of LIHC shareholders. Due to the cancellation, the account was already reported as zero during the third quarter.

4 ADVANCES FROM THIRD PARTIES

On May 31, 2009, the Company and Oriental Vision Mining Corporation (Oriental) entered into a MOA whereby Oriental will undertake exploration and development of a 7,000-hectare coal property in Surigao del Sur owned by Abacoal. Under the MOA, Oriental paid the Company million representing reimbursement of the Company's advances made and to be made to third parties related to the initial exploration and development of the coal property. To date, balance of the deposit amounts to ₱ 3 thousand.

5. 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) and payroll related expenses.

This is composed of legal fees, stock transfer agent fees and government statutory obligations like withholding taxes, SSS, Phil health and HDMF.

6. 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 (,000,000.00) divided into Fifty Million (50,000,000) shares to One Hundred Million Pesos (,000,000.00) divided into One Hundred Million (100,000,000) shares, both with a par value of One Peso (.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 .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 .05 per share or for a total of .5 million, of which 25% or .6 million has already been paid. 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 (.00) to Ten Centavos (.10). The authorized capital stock of the Corporation shall be One Hundred Million Pesos (,000,000.00) divided into One Billion (1,000,000,000) common shares with par value of Ten Centavos (.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 (.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 April 18, 2012, the Board of Directors approved the increase in authorized capital stock from One Hundred Million Pesos (₱ 100,000,000.00) divided into One Billion shares at Ten Centavos (₱ 0.10) per share to Three Hundred Million Pesos (,000,000.00) divided into Three Billion (3,000,000,000) shares at Ten Centavos (₱ 0.10) per share. This shall be the capital increase which will be undertaken per the approval of the shareholders during the 17 December 2009 stockholders' meeting. A total of Five Hundred Million shares will be subscribed via private placement at the subscription price of Seventy Centavos (₱ 0.70) per share.

7. 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 actively 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 risks to which the Company is exposed to are described below and in the succeeding page.

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.

	Sept. 30, 2015	Dec. 31, 2014
Cash	**P 13,284,323**	P 383,754
Advances to a stockholder	**1,857,076**	2,457,076
	P 15,141,399	P 2,840,830

The above represent the carrying amounts of financial assets of the Company categorized as loans and receivables. 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 P0.5 million for every depositor per banking institution. The amount of cash on hand excluded from this insurance to PDIC amounted to P5,000 in both years.

(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.

4.2 Liquidity Risk

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

As at September 30, 2015 and December 31, 2014, the Company's financial liabilities having contractual maturities of less than twelve months are presented below.

		September 30, 2015		December 31, 2014	
Accounts payable and accrued expenses (excluding tax-related liabilities)		**P**	**809,904**	P	783,169
Advances from third parties	11		**3,049**		3,049
		P	**812,953**	P	786,218

8. FINANCIAL INSTRUMENTS

Comparison of Carrying Amounts and Fair Values

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

	September 30, 2015		December 31,2014	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	**₱13,284,323**	**₱13,284,323**	₱383,754	₱383,754
Advances to stockholder	**1,857,076**	**1,857,076**	2,457,076	2,457,076
	₱15,141,399	**₱15,141,399**	₱2,840,830	₱2,840,830
Financial Liabilities				
Other financial liabilities:				
Accounts payable and accrued expenses (*)	**₱809,904**	**₱809,904**	₱699,439	₱699,439
Advances from third parties	**3,049**	**3,049**	3,049	3,049
	₱812,953	**₱812,953**	₱702,488	₱702,488

(*) Net of taxes

Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and 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.

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

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

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

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

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.

There were no outstanding financial assets and liabilities measured at fair value as of September 30, 2015 and December 31, 2014.

9. 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 was 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.

10. COMPLIANCE WITH SEC MEMORANDUM CIRCULAR No. 3, Series of 2012

PFRS9, *Financial Instruments: Classification and Measurement (* effective from January 1, 2015). This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace PAS 39 in its entirety. This chapter deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangement, does not require separation from the host contract.

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

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

The Company does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. Based on Management's current assessment, this standard has no significant impact to the Company's financial statement except for potential reclassification of fair value gain (losses) on available-for-sale financial assets recorded in other comprehensive income to profit or loss. The Company will continue to assess the possible effect of this standard considering the impact of all changes until its implementation in 2015.