

**MINUTES OF THE SPECIAL MEETING
OF THE STOCKHOLDERS
OF
HARBOR STAR SHIPPING SERVICES, INC.**

Held on 06 March 2017

Cervantes and Shakespeare Function Rooms, Discovery Primea,
6749 Ayala Avenue, Makati City

<u>PRESENT:</u>	<u>NO. OF SHARES</u>
Total No. of Shares Represented In Person and By Proxy	437,643,347
Total Outstanding Shares	605,238,580
Attendance Percentage to Total Outstanding Shares	72.31%

=====

I. CALL TO ORDER

The Chairman, Mr. Geronimo P. Bella, Jr., called the meeting to order and presided over the same. The Corporate Secretary, Mr. Ignatius A. Rodriguez, recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

Based on the Certifications provided by Mr. Antonio B. Madrid, Jr. of Rizal Commercial Banking Corporation ("RCBC"), the stock and transfer agent of the Corporation, the Corporate Secretary certified that:

(a) Notices for the meeting were sent to all stockholders of record as of 30 January 2017 at least fifteen (15) business days prior to the meeting in compliance with Section 2, Article 1 of the By-Laws of the Corporation; and

(b) Present in person and by proxy are Four Hundred Thirty Seven Million Six Hundred Forty Three Thousand Three Hundred Forty Seven (437,643,347) shares of the total Six Hundred Five Million Two Hundred Thirty-Eight Thousand Five Hundred Eighty (605,238,580) shares, or 72.31%, of the Corporation's total issued and outstanding capital stock, and that a quorum existed for the valid transaction of business.

The Certifications of Mr. Madrid of RCBC regarding the sending of notices to stockholders of record as of 30 January 2017 and on quorum are attached hereto as Annexes "A" and "B", respectively.

III. APPROVAL OF PREVIOUS MINUTES

The Chairman stated that copies of the Minutes of the Annual Meeting of the Stockholders held on 29 June 2016 were made available for inspection at the registration desk.

Upon motion duly made and seconded, the Minutes of the Annual Meeting of the Stockholders held on 29 June 2016 were unanimously approved.

IV. AMENDMENT OF THE ARTICLES OF INCORPORATION

A. Amendment of the Second Article of the Articles of Incorporation

The Chairman informed the stockholders that management proposes to amend the Second Article of the Articles of Incorporation of the Corporation to include the business of (a) operating maritime schools/educational/training facilities and (b) power generation to ensure it has the legal capacity to engage in foreseen future business prospects that are not covered in the current Articles of Incorporation.

Mr. Manny Ocampo, a proxy holder for Abacus Securities, inquired about the proposal of management to include the business of power generation considering that it is not related to the core business of the Corporation. In reply to Mr. Ocampo's query, the Chairman informed Mr. Ocampo that the Corporation's long and medium term strategic plan is to diversify its businesses and that there is a possible opportunity for the Corporation to generate more income in the power generation business. However, the Philippine Stock Exchange rules and regulations prevent management from divulging the specifics of such transaction or project at the moment.

After discussion and upon motion duly made and seconded, the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation unanimously approved the following resolution:

"RESOLVED, that the Second Article of the Articles of Incorporation of the Corporation be amended to include in the Secondary Purpose the operation of maritime schools/educational/training facilities and the business of power generation."

B. Amendment of the Third Article of the Articles of Incorporation

The Chairman informed the stockholders that management proposes to amend the Third Article of the Articles of Incorporation of the Corporation to change its principal office address from "2224 A. Bonifacio St. corner South Super Highway, Bangkal, Makati City" to "2224, A. Bonifacio Street corner Pres. Sergio Osmeña Highway, Bangkal, Makati City, 1233, Philippines".

After discussion and upon motion duly made and seconded, the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation unanimously approved the following resolution:

“RESOLVED, that the Third Article of the Articles of Incorporation of the Corporation be amended to change the principal office address from “2224 A. Bonifacio St. corner South Super Highway, Bangkal, Makati City” to “2224, A. Bonifacio Street corner Pres. Sergio Osmeña Highway, Bangkal, Makati City, 1233, Philippines.”

C. Amendment of the Seventh Article of the Articles of Incorporation

The Chairman informed the stockholders that management proposes to amend the Seventh Article of the Articles of Incorporation of the Corporation to increase its authorized capital stock from One Billion Five Hundred Million Pesos (PHP1,500,000,000.00) consisting of One Billion Five Hundred Million (1,500,000,000) shares with a par value of One Peso (PHP1.00) per share to Two Billion Pesos (PHP2,000,000,000.00) consisting of Two Billion (2,000,000,000) shares with a par value of One Peso (PHP1.00) per share.

After discussion and upon motion duly made and seconded, the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation unanimously approved the following resolution:

“RESOLVED, that the Seventh Article of the Articles of Incorporation of the Corporation be amended to increase its authorized capital stock from One Billion Five Hundred Million Pesos (PHP1,500,000,000.00) consisting of One Billion Five Hundred Million (1,500,000,000) shares with a par value of One Peso (PHP1.00) per share to Two Billion Pesos (PHP2,000,000,000.00) consisting of Two Billion (2,000,000,000) shares with a par value of One Peso (PHP1.00) per share.”

V. DECLARATION OF STOCK DIVIDEND

The Chairman informed the stockholders that management proposes to declare 50% stock dividends equivalent to Three Hundred Two Million Six Hundred Nineteen Thousand Two Hundred Ninety (302,619,290) common shares from the unrestricted retained earnings of the Corporation for the period ended 31 December 2015 based on its Audited Financial Statements for the period ended 31 December 2015. Record date for the stock dividends shall be fixed by the Securities and Exchange Commission.

After discussion and upon motion duly made and seconded, the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation unanimously approved the following resolution:

“RESOLVED, that Corporation declare 50% stock dividends equivalent to Three Hundred Two Million Six Hundred Nineteen Thousand Two Hundred Ninety (302,619,290) common shares from the unrestricted retained earnings of the Corporation for the period ended 31 December 2015 based on its Audited Financial Statements for the period ended 31 December 2015.

“RESOLVED FURTHER, that the stock dividends be issued from the application of the Corporation to increase its authorized capital stock from One Billion Five Hundred Million Pesos (PHP1,500,000,000.00) to Two Billion Pesos (PHP2,000,000,000.00) and that the record date for the stock dividends be fixed by the Securities and Exchange Commission.

“RESOLVED FINALLY, that the Corporation apply for the listing of the stock dividends with the Philippine Stock Exchange.”

VI. FOLLOW-ON OFFERING

The Chairman informed the stockholders that management proposes to conduct a follow-on offering which would entail the sale of primary shares of the Corporation to the public. The purpose of the follow-on offering is to raise approximately One Billion Pesos (PHP1,000,000,000.00) to fund the Corporation's planned international fleet expansion, business expansion in, among others, Malaysia, Indonesia and Myanmar, shipyard business, domestic chassis roll-on roll-off (“ChaRo”) shuttle services and renewable energy project.

The Corporation's Investor Relations Officer, Mr. Dany Uson, gave a presentation on the proposal to conduct a follow-on offering.

Mr. Stephen Soliven inquired whether the Corporation's budget was prepared annually and whether the targets were achieved. Mr. Uson replied in the affirmative to both queries of Mr. Soliven.

Mr. Manny Ocampo inquired on the breakdown of the proceeds. Mr. Uson replied that there was none at the moment but the same would be made available once approved and finalized.

Mr. Rommel Ablin suggested that the minimum price of the follow-on offering should be priced ex-stock dividend. Meaning, the offer price should not be less than PHP3.00 per share (ex-stock dividend price PHP2.00 per share). Mr. Uson replied he agrees with Mr. Ablin's suggestion and that the same would be considered.

The Corporation noted that, in a letter dated 24 February 2017, Deutsche Bank which holds Four Hundred Twenty Two Thousand (422,000) shares interposed its objection to the conduct of a follow-on offering.

After discussion and upon motion duly made and seconded, the following resolution was approved:

“RESOLVED, that the Corporation be authorized to conduct a follow-on offering to raise approximately One Billion Pesos (PHP1,000,000,000.00) to fund the Corporation's planned international fleet expansion, business expansion in, among others, Malaysia, Indonesia and Myanmar, shipyard business, domestic chassis roll-on roll-off (“ChaRo”) shuttle services and renewable energy project.

“RESOLVED FURTHER, that the Management be authorized to: (i) determine the terms and conditions of the offering; (ii) engage counsel, financial adviser and underwriters for the purpose; (iii) file a Registration Statement with the Securities and Exchange Commission and (iv) apply for the listing of the new shares with the Philippine Stock Exchange, subject to its listing requirements.”

As tabulated by the Corporate Secretary and validated by RCBC Stock Transfer Agent, the votes on the motion to conduct a follow-on offering are as follows:

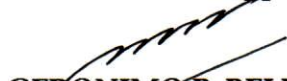
	FOR	AGAINST	ABSTAIN
NUMBER OF SHARES VOTED	413,956,580	422,000	0
% OF SHARES VOTED	68.40%	0.07%	0%

VII. ADJOURNMENT

There being no further business to transact, and upon motion duly made and seconded, the meeting was adjourned.


IGNATIUS A. RODRIGUEZ
Corporate Secretary

Confirmed and Approved:


GERONIMO P. BELLA, JR.
Chairman of the Board