

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

Held on 12 July 2023  
Conducted virtually via remote communication

<b><u>PRESENT:</u></b>	<b><u>NO. OF SHARES</u></b>
<b>Total No. of Shares Represented In Person and By Proxy</b>	<b>614,658,325</b>
<b>Total Outstanding Shares</b>	<b>894,586,870</b>
<b>Attendance Percentage to Total Outstanding Shares</b>	<b>68.71%</b>

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**I. CALL TO ORDER**

The Chairman, Mr. Geronimo P. Bella, Jr., called the meeting to order and presided over the same. The Corporate Secretary, Atty. Charlene O. Ang, recorded the minutes of the proceedings.

The Chairman informed the stockholders that the meeting is held in a remote communication format.

**II. CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary certified that:

(a) In accordance with the Securities and Exchange Commission's Notice dated 13 March 2023 and the provisions of the Securities Regulation Code, notice for this meeting was published in the business section of two (2) newspapers of general circulation, namely: Philippine Daily Inquirer and The Manila Standard, in print and online format, for two (2) consecutive days at least twenty-one (21) days prior to the date of this meeting. The Affidavits of Publication dated 22 June 2023 executed by Ms. Adela G. Mendoza and Mr. Mario P. Policarpio, Jr. were submitted to the Corporate Secretary, respectively. Copies of the Affidavits of Publication dated 22 July 2023 are attached hereto as Annexes "A" and "B", respectively;

(b) Electronic copies of the Definitive Information Statement and its attachments were also made available on the Corporation's website and the PSE Edge portal;

(c) Accordingly, stockholders of record as of 08 June 2023 were notified of this meeting. The stockholders were also notified of the internal guidelines of the Corporation for participation in this meeting through remote communication in accordance with applicable rules; and

(c) Present in person and by proxy are Six Hundred Fourteen Million Six Hundred Fifty Eight Thousand Three Hundred Twenty Five (614,658,325) shares out of the total outstanding Eight Hundred Ninety Four Million Five Hundred Eighty Six Thousand Eight Hundred Seventy (894,586,870) shares, or 68.71%, of the Corporation's total outstanding capital stock, and that a quorum existed for the valid transaction of business.

### **III. RULES OF CONDUCT AND VOTING PROCEDURES**

Since the Corporation is conducting the meeting through remote communication format, the Chairman requested the Corporate Secretary to share the rules of conduct and voting procedure for this meeting.

Thereafter, the Corporate Secretary explained that "Guidelines for Participation via Remote Communication and Voting in Absentia and through Proxy" for this meeting were made available in the Corporation's website, the Definitive Information Statement and in the Explanation of Agenda items which forms part of the Notice of the Annual Stockholders' Meeting. She emphasized the following points:

1. Only stockholders whose Letter(s) of Intent or proxy forms have been validated or verified were allowed to cast their votes for this meeting through the voting portal.
2. Resolutions proposed to be approved by the stockholders under the Agenda will be shown on the screen as it is being taken up.
3. Votes cast as of 03 July 2023 for each proposed resolution have been tabulated and results will be announced during the meeting.
4. A detailed result of the tabulation of the votes cast indicating the affirmative votes, negative votes and abstentions will be reflected in the Minutes of this meeting.
5. Relevant questions which have been submitted on or before 05 July 2023 will be addressed accordingly under the Other Matters item in the Agenda. Questions and comments not taken up during the meeting shall be addressed by the Corporation directly to the stockholder via email.

### **IV. APPROVAL OF PREVIOUS MINUTES**

The Chairman stated that electronic copies of the Minutes of the Annual Stockholders' Meeting held on 13 July 2022 were made available for inspection on the Corporation's website.

The Corporate Secretary presented the resolution proposed by management and, based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

*"RESOLVED, that the Minutes of the Annual Stockholders' Meeting held on 13 July 2022 as appearing in the Minutes Book of the Corporation be approved."*

As tabulated, the votes for the adoption of foregoing resolution providing for the approval of the minutes of the previous meeting are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	609,830,725		4,827,600
% of Shares of Shareholders Present	99.21%		0.79%

## V. MANAGEMENT REPORT

The Chairman and President rendered the Management Report for the period ending 31 December 2022. The Treasurer, Mr. Dany Cleo B. Uson, also presented the 1st quarter updates for the year 2023. Copies of the Management Report and 1st quarter updates for the year 2023 are attached as Annexes "C" and "D".

Thereafter, the Corporate Secretary presented the resolution proposed by management and, based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

*"RESOLVED, that the Management Report for 2022 be noted and approved."*

As tabulated, the votes for the adoption of foregoing resolution providing for the approval of the minutes of the previous meeting are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	609,830,725		4,827,600
% of Shares of Shareholders Present	99.21%		0.79%

## VI. APPROVAL OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2022

The Chairman presented for approval the Audited Consolidated Financial Statements for the period ending 31 December 2022 as discussed in the Management Report.

Thereafter, the Corporate Secretary presented the resolution proposed by management and, based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

*"RESOLVED, that the Audited Consolidated Financial Statements of the Corporation as of 31 December 2022 be noted and approved."*

As tabulated, the votes for the adoption of foregoing resolution providing for the approval of the minutes of the previous meeting are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	609,830,725		4,827,600
% of Shares of Shareholders Present	99.21%		0.79%

**VII. APPROVAL, CONFIRMATION AND RATIFICATION OF ALL ACTS, PROCEEDINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT**

The Chairman stated that a summary of the acts, proceedings, and resolutions to be ratified by the stockholders have been included in Item 16 of the Definitive Information Statement which were made available on the Corporation's website and the PSE Edge portal.

Thereafter, the Corporate Secretary presented the resolution proposed by management and, based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

*"RESOLVED, that all legal acts, proceedings and resolutions of the Board of Directors and of the Management of the Corporation since the Annual Stockholders' Meeting held on 13 July 2021 up to 12 July 2023, be, as they are hereby, approved, confirmed and ratified."*

As tabulated, the votes for the adoption of foregoing resolution providing for the approval of the minutes of the previous meeting are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	609,830,725		4,827,600
% of Shares of Shareholders Present	99.21%		0.79%

**VIII. ELECTION OF DIRECTORS**

The Corporate Secretary stated that the Articles of Incorporation of the Corporation provides for seven (7) directors, two (2) of whom are required to be independent directors.

Under the Corporation's By-Laws and Manual on Corporate Governance, the nomination of the Corporation's directors shall be conducted by the Corporate Governance Committee prior to the annual stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Corporate Governance Committee and the Corporate Secretary at least forty-five (45) days before the date of the actual meeting.

The Corporate Governance Committee shall pre-screen the qualifications and prepare a Final List of all Candidates for directors. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors.

The Final List of Candidates for directors as determined by the Corporation's Corporate Governance Committee and as disclosed in the Corporation's Information Statement are:

1. Geronimo P. Bella, Jr.
2. Ricardo Rodrigo P. Bella
3. Ceasar Daniel T. Castro
4. Ramon C. Liwag
5. Ryota Nagata

For Independent Directors:

6. Gene S. De Guzman; and
7. Gemma V. Sadiua.

Thereafter, the Corporate Secretary, reported that, after tabulating the votes cast, the votes garnered by the nominees mentioned in the Final List of Candidates are as follows:

<i>Nominee</i>	<i>Votes</i>
<i>Geronimo P. Bella, Jr.</i>	<i>609,830,725</i>
<i>Ricardo Rodrigo P. Bella</i>	<i>609,830,725</i>
<i>Ceasar Daniel T. Castro</i>	<i>609,830,725</i>
<i>Ryota Nagata</i>	<i>609,830,725</i>
<i>Ramon C. Liwag</i>	<i>609,830,725</i>
<i>Gene S. De Guzman (Independent Director)</i>	<i>609,830,725</i>
<i>Gemma V. Sadiua (Independent Director)</i>	<i>609,830,725</i>

The Corporate Secretary certified that the seven (7) nominees mentioned in the Final List of Candidates for directors prepared by the Corporation's Corporate Governance Committee have received sufficient votes for election to the Board of Directors and they shall serve as such for the ensuing year until the election and qualification of their successors.

**X. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman stated that the present external auditor of the Corporation is auditing firm of Isla Lipana & Co. The handling partner of Isla Lipana & Co. is rotated at least once every 5 years, in compliance with the 5-year limit under the rules of the Securities Regulation Code.

Thereafter, the Corporate Secretary presented the resolution proposed by management and, based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

*“RESOLVED, That the auditing firm of Isla Lipana & Co. be, as it is hereby appointed to be the Corporation’s external auditor for the calendar year 2023.”*

As tabulated, the votes for the adoption of foregoing resolution providing for the approval of the minutes of the previous meeting are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	609,830,725		4,827,600
% of Shares of Shareholders Present	99.21%		0.79%

## **XI. OTHER MATTERS**

After confirming with the Corporate Secretary that there were no other matters that require consideration by the stockholders, the Chairman requested the Host, to read aloud the questions and comments together with the names of the stockholders who sent them.

The first question read by the Host was from Ms. Marlyn Yao who asked “How is Harbor Star maintaining its competitive edge in the market?”

The Chairman answered by stating that Harbor Star remains a leader in the maritime business by being the most diversified tugboat company - with a total fleet of Sixty Two (62) vessels servicing One Hundred Sixty Eight (168) ports in the Philippines. This allows Harbor Star to cater to its clients’ needs on time and to serve as a one-stop-shop for vessel service requirements, while also expanding its revenue streams. Harbor Star’s dominant market position also gives it a competitive advantage in negotiating favorable contracts with suppliers and partners.

Aside from having well-maintained fleets and a diversified portfolio, Harbor Star’s competitive edge also lies in other areas of strength such as (1) its highly committed, efficient, trained, and skilled personnel who are the backbone of its operations, working tirelessly to deliver its services safely; (2) advanced technology in operations through implementation of Planned Maintenance System and use of Enterprise Resource Program in its supply chain management; and (3) excellent customer service.

The second question read by the Host was from Mr. Eduardo Jose Trapaga who asked “Is Harbor Star doing well in the stock market?”

The Chairman referred the question to the Treasurer, Mr. Dany B. Uson who answered by stating that Harbor Star’s Board and Management do not comment on share price movements. Harbor Star’s Board and Management Team are focused on creating long-term value for its stockholders, rather than achieving a specific stock price target. Harbor Star’s top priorities are executing across its strategic initiatives and enhancing the value proposition for its clients.

Thereafter, the Host relayed to the Chairman that there are no other questions.

**XII. ADJOURNMENT**

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

**CHARLENE O. ANG**  
*Corporate Secretary*

**Confirmed and Approved:**

**GERONIMO P. BELLA, JR.**  
*Chairman of the Board*



REPUBLIC OF THE PHILIPPINES)  
CITY OF MAKATI ) S. S.

### AFFIDAVIT OF PUBLICATION

I, ADELA GERSALIA MENDOZA, of legal age, Filipino, married and a resident of 14 Registration St. SSS Homes North, Quezon City Philippines after having duly sworn to in accordance with law, hereby declare and testify.

1. That I am the Sales Director – Classified Advertising of the PHILIPPINE DAILY INQUIRER, INC., publisher of the Philippine Daily Inquirer which is being published daily in English, of general circulation with editorial and business address at Chino Roces St. cor. Yague and Mascardo Sts., Makati.

2. That at the order of  
**HARBOR STAR SHIPPING SERVICES, INC.**

RE: Notice of Annual Stockholders' Meeting

Text of which would be described as follows:

**AS PER ATTACHED**

Has been published in the Philippine Daily Inquirer in its issue/issues of:


June 20 and 21, 2023

Affiant Further Sayeth  
Naught, Makati Philippines \_\_\_\_\_

  
**ADELA G. MENDOZA**  
Affiant

SUBSCRIBED AND SWORN to before me this  
JUN 22 2023 day of \_\_\_\_\_  
PHILIPPINES, affiant exhibited to me her Driver's License No. 102-01-455507 issued at Quezon City valid until October 10, 2023 and her SSS No. 03-9451924-9, bearing her photograph and signature.

**ATTY. JOSHUA P. LAPUZ**  
Notary Public Makati City  
Until Dec. 31, 2023  
Appointment No. M-019-(2022-2023)  
PTR No. 9563523 Jan. 3, 2023 / Makati City  
IBP Lifetime No. 04897 Roll No. 45790  
MCLE Compliance No. VI-0016565  
G/F Fedman Bldg., 199 Salcedo St.  
Legaspi Village, Makati City



**HARBOR STAR**  
SHIPPING SERVICES, INC.

**NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

Please be informed that the Annual Meeting of the Stockholders of **HARBOR STAR SHIPPING SERVICES, INC.** ("HSSSI") will be held and conducted virtually via the Zoom online meeting platform on Wednesday, 12 July 2023, 09:30 A.M. for the following purposes:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 13 July 2022
4. Management Report
5. Approval of Audited Consolidated Financial Statements of HSSSI and its subsidiaries as of 31 December 2022
6. Ratification of all acts, resolutions and proceedings of the Board of Directors and of Management, done in ordinary course of business since the 13 July 2022 Annual Stockholders' Meeting up to 12 July 2023
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

The record date for stockholders entitled to notice of, participate and vote at the Annual Stockholders' Meeting is set on 08 June 2023 ("Stockholders of Record").

Considering the current circumstances, Stockholders of Record may only attend/participate via proxy, remote communication or vote in absentia, subject to validation procedures. Only validated stockholders will be provided access to the Zoom meeting platform and can cast their votes in absentia on or before 04 July 2023 via the Corporation's secure online voting facility.

Stockholders who wish to participate in the meeting via the Zoom online meeting platform and to vote in absentia should notify the Office of the Corporate Secretary through a Letter of Intent to be sent via e-mail to [asm-2023@harborstar.com.ph](mailto:asm-2023@harborstar.com.ph) or fill-up the registration form at [www.harborstar.com.ph/asm2023registrationform](http://www.harborstar.com.ph/asm2023registrationform) on or before 28 June 2023.

The Corporation is not soliciting for proxies. Stockholders who are unable to join the meeting but wish to vote on items in the agenda by proxy must submit their duly accomplished proxy forms via e-mail to [asm-2023@harborstar.com.ph](mailto:asm-2023@harborstar.com.ph) on or before 28 June 2023.

Stockholders may send their queries and comments to the Management Report and other items in the Agenda to [asm-2023@harborstar.com.ph](mailto:asm-2023@harborstar.com.ph) on or before 06 July 2023.

The Definitive Information Statement containing the attendance, voting and election procedures, along with the Notice, Agenda, Proxy, Management Report, SEC Form 17-A, SEC Form 17-Q and other information related to the Annual Stockholders' Meeting can be accessed at [www.harborstar.com.ph/investors/pse\\_disclosures](http://www.harborstar.com.ph/investors/pse_disclosures).

Very truly yours,  
(Sgd.) **CHARLENE O. ANG**  
Corporate Secretary

(PDI – June 20 & 21, 2023)

Doc. No. 230 ;  
Page No. 47 ;  
Book No. 127 ;  
Series of 2023.



# Manila Standard

PHILIPPINE MANILA STANDARD PUBLISHING, INC.



**HARBOR STAR**  
SHIPPING SERVICES, INC.

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Very truly yours,

(SGD.)  
**CHARLENE O. ANG**  
Corporate Secretary

045-JUNE 22 & 23, 2023

## AFFIDAVIT OF PUBLICATION

I, Mario R. Policarpio Jr., Chief Accountant of Manila Standard, with office address at 6<sup>th</sup> Floor Universal Re Building, 106 Paseo de Roxas, Makati City, hereby depose and state that:

**Manila Standard** is a newspaper of general circulation and is distributed nationwide;

**Manila Standard** at the same time, publishes its online version through its website <https://manilastandard.net>;

**Manila Standard** is qualified to publish all kinds of judicial notices.

**Manila Standard** published on

June 22 & 23, 2023

a Notice:

HARBOR STAR SHIPPING SERVICES, INC.

RE: NOTICE OF ANNUAL  
STOCKHOLDERS' MEETING

IN WITNESS WHEREOF, I hereby affix my signature this 23RD day of JUNE 2023 in Makati City.

**MARIO R. POLICARPIO JR.**  
Authorized Signatory

SUBSCRIBED AND SWORN to before me this 23RD day of JUNE, 2023 in Makati City, affiant exhibiting to me his SSS No. 33-0476897-7.

Doc. No.: 137  
Page No.: 11  
Book No.: 11  
Series of 2023.

ATTY. SHERLUCK JUN C. WILLEGAS

Notary Public for Makati City

Appt. No. M-274 until Dec. 31, 2024

Unit 2C LTA Building, 118 Perea St.

Legaspi Village, Makati City

Roll No. 70942

TSP No. 180225/ 11-22-2022/ Pasig City

PIR No. 9583991 / 01-17-2023/ Makati City

MCLE Compliance No. VII-0020969/April 14, 2025





## **MESSAGE TO OUR STOCKHOLDERS**

*Annual Stockholders' Meeting 2023*

Fellow Shareholders,

The year 2022 saw another dynamic but challenging business environment for the shipping industry. The continued impact of the COVID-19 pandemic and the war in Ukraine led to an unprecedented fuel price hike, as well as increased environmental regulations, geopolitical tensions, and trade disputes affecting our operational costs.

Despite these external challenges, I am pleased to report that Harbor Star and its related companies delivered strong overall results in 2022 -- with an all-time high revenue total of PHP 2.7 billion, representing a 41.4% increase from the PHP 1.91 billion in revenues in 2021. More importantly, this allowed the Company to post a modest profit this year coming from incurring losses the previous three (3) years. We believe this may be the start of the turning point as the plans and programs we laid out the last few years are beginning to bear fruit.

### **Turning the Tide in Profitability**

To mitigate the external impacts on our operational results, we remained attuned to the changing business and economic landscape. We implemented appropriate measures to address challenges and capitalize on opportunities throughout the year. These included proactive cost management, investment in sustainable practices, and strengthening customer relationships, all of which have allowed us to push forward steadily with PHP 10 million in net income for 2022. This was a result of the Company focusing more on flexing its muscles in its core businesses of harbor assist and salvage operations.

I am pleased to share that Harbor Star's gross profit of PHP1.05 billion in 2022 is 94% higher than the PHP 543 million recorded in 2021. This can be attributed to the significant increase in net revenues for the year. Likewise, the Group's gross profit margin ratio improved to 39.0% in 2022 from 28.4% in 2021.

As in previous years, Harbor Assistance remains the top revenue contributor for the Company. Harbor Assist grew to PHP1.5 billion in 2022 from PHP 1.1 billion in 2021. Another significant contributor was the Salvage Division which saw revenues grow at PHP 471 million in 2022 from PHP 260 million in 2021, due to salvage projects during the year.

Harbor Star's excellent performance in 2022 was also supported by increased demand for maritime transportation services globally. This is a result of improving and more favorable macroeconomic factors such as steady global economic growth, increased global trade, and improved consumer confidence.

In October 2022, Peak Flag Sdn Bhd, a subsidiary of Harbor Star, took delivery of M/T Izar at Port Klang, Malaysia. M/T Izar joins Peak Flag's fleet of 3 other tugs which are already on time charter with major ports and clients in Malaysia. Peak Flag contributed PHP 97.3 million revenue in 2022.



The shipping businesses were also able to close nine (9) service agreements for harbor assist, to engage in five (5) salvage projects, nine (9) towing services and eight (8) charter hires.

We continue our capacity building and expanding our customer base for our other services such as the construction and lighterage divisions which we feel will be critical sources of revenue in the coming years. We will stay on course by fully utilizing our assets and continuing to strengthen services that are major contributors to profitability such as dredging and power generation. We will remain supportive of our subsidiaries and affiliates as we recognize their continued profitability and positive contributions to the revenue of the Company.

### **Looking Ahead**

We continue to invest our time, energy, and resources to improve the way we do things. We believe in the value of innovation and in always finding ways to better serve our clients, partners, and stakeholders. Our strong company culture and leadership are critical to maintaining our competitive edge. We foster an environment of collaboration and continuous improvement, which enables us to adapt to the changing needs of the market while promoting sustainability and resilience. This approach helps us stay ahead of the competition and positions us for long-term success.

Moving forward, Harbor Star will remain dedicated to maintaining our leadership position in the marine service industry by implementing the following major initiatives: (1) strengthening our services, (2) investing in technology and innovation, (3) implementing sustainability and environmental initiatives, (4) continuing to enter into strategic partnerships and alliances, (5) talent development and succession planning and (6) strengthening our customer-first policy.

By undertaking these major initiatives, we will position ourselves for further growth in the coming years, expand our market presence, enhance operational efficiency, drive innovation, and demonstrate our commitment to sustainability and responsible business practices.

As always, I would like to thank all our stakeholders for the trust and support through all the industry challenges that we have worked to overcome. We believe that the marine services industry will be filled with potential and opportunities in the years ahead, and with your support, I am confident that we will remain in an excellent position to build on these opportunities and to increase overall profitability while aiding in the country's economic development.

Again, thank you all for your continued support.

Stay safe always!



**2023 1st Quarter Updates**  
*Annual Stockholders' Meeting 2023*

Good morning, ladies and gentlemen. We are delighted to announce that we have achieved strong performance in the first quarter, surpassing our own projections. Although the current year presents a highly dynamic and demanding business landscape for our customers and potential clients, we firmly believe that the advantages of collaborating with a reliable and comprehensive maritime services organization, boasting almost 25 years of industry knowledge, are more appealing than ever. Our consistent sales growth, initiation of new projects, high client satisfaction rates, and ability to retain customers all contribute to our positive outcomes.

During the initial three months of 2023, Harbor Star recorded a net service income of Php631 million, which reflected a 10% decrease compared to the same period in 2022 when it reached Php703 million. The primary source of revenue for the Company remained to be its harbor assistance services, generating Php407.6 million, a 32% increase from the first quarter of the previous year with Php308 million. The revenue received a boost from the oil spill response in Mindoro, contributing Php83 million during the first quarter. Additionally, our lighterage services experienced a significant positive growth, contributing Php34.6 million, a substantial 223% increase compared to the first quarter of 2022.

Harbor Star is not spared of the challenges of the industry, some of our core services has been affected and contributed below expectations revenue for the first quarter of 2023. Our towing services generated Php 17.6 million, underwater services generated Php 5.8 million and other marine services made Php 13.3 million in revenues. Our construction division generated Php 9.4 million and our 25 MW solar power plant company, Astronergy Development Gensan, Inc. added Php 57.8 million to the total revenue for the first quarter of 2023.

Harbor Star reached profitability in the first quarter of 2023 as a result of the Company's efforts to cut expenses, improve customer relationships, provide high-quality services, and capitalize on new business prospects. Despite a 75% decline from the first quarter of 2022's net income of Php198 million, the company's profit of Php50 million is still ahead of our expectation given the economic headwinds in 2023.

The cost of services for Harbor Star Shipping Services increased by 19% to Php402 million, up from Php337.5 million, due to variables like as higher fuel prices, direct labor expenditures, depreciation, outsourced services, insurance, and travel and transportation costs. With the Company's focused effort to cost reduction, general and administrative expenditures only increased by 3%, reaching Php102 million from Php99 million in the first quarter of 2022. In addition, other charges increased by 11% to Php7 million, mostly owing to higher interest rates as compared to the same time last year.

Our total assets increased by 4% in the first three months of 2023, reaching Php7.1 billion from Php6.8 billion at the end of December 31, 2022. Total liabilities increased by 3% at the same time. Stockholders' equity rose as a result of higher retained earnings.



The Company's financial ratios for the first quarter of 2023 are better than they were in the first quarter of 2022, demonstrating the efficient use of its resources and assets. In particular, our current ratio increased from 1.13 to 1.55, and our quick ratio increased from 0.87 to 1.20.

Harbor Star Shipping Services, Inc. is actively modifying its strategy to strengthen its core operations, invest in new technologies and innovations, form strategic alliances and partnerships, expand its resource base, and manage the solar power operations effectively. We are confident that over the coming quarters, our integrated services will continue to grow steadily.

We want to reassure our stakeholders that we are dedicated to providing high-quality service while striving for excellence. Our goal is to maintain our leadership position in the marine services industry while also pursuing opportunities that generate revenue and contribute to our company's overall growth.

Thank you and keep safe.