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

Held on 08 July 2026
Conducted virtually via remote communication

PRESENT:	**NO. OF SHARES**
Total No. of Shares Represented In Person and By Proxy	**624,041,628**
Total Outstanding Shares	**894,586,870**
Attendance Percentage to Total Outstanding Shares	**69.76%**

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 11 March 2026 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: Manila Times 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 17 June 2026 and 18 June 2026 executed by Ms. Eden F. Del Rosario and Mr. Mario R. Policarpio, respectively, were submitted to the Corporate Secretary. Copies of the Affidavits of Publication 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 2026 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

(d) Present in person and by proxy are Six Hundred Twenty Four Million Forty One Thousand Six Hundred Twenty Eight (624,041,628) shares out of the total outstanding Eight Hundred Ninety Four Million Five Hundred Eighty Six Thousand Eight Hundred Seventy (894,586,870) shares, or 69.76%, 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. He 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 30 June 2026 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 03 July 2026 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 30 July 2025 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 30 July 2025 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:

	For	Against	Abstain
Number of Voted Shares	620,796,128	0	3,245,500
% of Shares of Shareholders Present	99.48%	0%	0.52%

V. MANAGEMENT REPORT

The Chairman of the Board and President, Mr. Geronimo P. Bella, Jr., rendered the Management Report for the period ending 31 December 2025. The Treasurer, Mr. Dany Cleo B. Uson, also presented the 1st quarter updates for the year 2026. Copies of the Management Report and 1st quarter updates for the year 2026 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 2025 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:

	For	Against	Abstain
Number of Voted Shares	620,796,128	0	3,245,500
% of Shares of Shareholders Present	99.48%	0%	0.52%

VI. APPROVAL OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2025

The Chairman presented for approval the Audited Consolidated Financial Statements for the period ending 31 December 2025 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 and its subsidiaries as of 31 December 2025 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:

	For	Against	Abstain
Number of Voted Shares	620,796,128	0	3,245,500
% of Shares of Shareholders Present	99.48%	0%	0.52%

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 30*

July 2025 up to 8 July 2026, 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:

	For	Against	Abstain
Number of Voted Shares	620,796,128	0	3,245,500
% of Shares of Shareholders Present	99.48%	0%	0.52%

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:

Nominee	***Votes***
Geronimo P. Bella, Jr.	*620,796,128*
Ricardo Rodrigo P. Bella	*620,796,128*
Ceasar Daniel T. Castro	*620,796,128*
Ryota Nagata	*620,796,128*
Ramon C. Liwag	*620,796,128*
Gene S. De Guzman (Independent Director)	*620,796,128*
Gemma V. Sadiua (Independent Director)	*620,796,128*

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. (PwC). 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. (PwC) be, as it is hereby appointed to be the Corporation's external auditor for the calendar year 2026."*

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

	For	Against	Abstain
Number of Voted Shares	620,796,128	0	3,245,500
% of Shares of Shareholders Present	99.48%	0%	0.52%

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 Mr. Eduardo Jose Trapaga, to wit:

"Considering the current geopolitical tensions, particularly the war situation in the Middle East, along with ongoing supply chain disruptions and rate volatility, what does management see as the company's most significant risks for this year, and what measures are being implemented to mitigate these risks?"

In reply to the first question, the Chairman, Mr. Geronimo P. Bella, Jr., explained that Management has identified three primary risks for this year 2026.

First is fuel price volatility, as global conflicts can disrupt oil supply and drive bunker prices higher, directly impacting operating costs. Second is potential supply chain disruptions, which may affect vessel maintenance, spare parts availability, and fleet readiness. Third is market demand and rate fluctuations, particularly if global trade slows or uncertainty affects vessel movements and port activity.

To mitigate these risks, Mr. Bella explained that Harbor Star is implementing several measures, such as but not limited to (i) actively managing fuel costs through operational efficiencies and pricing adjustments where possible; (ii) strengthening supplier relationships and inventory planning to ensure continuity in maintenance and operations; and (iii) active communication with the key ports and existing clients to maintain relationships, contracts, and revenue stability despite the market fluctuations. Mr. Bella assured that Management remains proactive and adaptable, ensuring that Harbor Star is well-positioned to navigate current uncertainties while sustaining operational reliability and financial discipline.

The second question read by the Host was from Mr. Gopal Daswani, who asked "What is the latest update on the Company's fleet modernization efforts?"

In reply to the second question, the Treasurer, Mr. Dany Cleo B. Uson, explained that a new 80-ton ASD tugboat is currently under acquisition and is expected to be delivered within 2026. Mr. Uson elaborated that this addition will position the Company to better support and participate in the growing energy sector in the Philippines, which requires higher powered and more capable vessels.

In addition, Mr. Uson informed the Stockholders that the Company is actively implementing a re-fleeting program, which involves the systematic divestment of non-performing and aging vessels, particularly those 50 years or older and with lower brake horsepower (BHP). This initiative enables the Company to optimize its fleet mix, improve operational efficiency, and reduce maintenance and operating costs. Overall, these efforts reflect the Company's commitment to maintaining a modern, reliable, and cost-efficient fleet, ensuring that the Company remains competitive and well aligned with current and future market requirements.

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

XII. <u>ADJOURNMENT</u>

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 Meeting

"ANNEX A"

The Manila Times®

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

AFFIDAVIT OF PUBLICATION

HARBOR STAR
SHIPPING SERVICES, INC.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

The **2026 Annual Meeting of the Stockholders of Harbor Star Shipping Services, Inc. ("HSSSI")** will be held and conducted virtually[1] via the Zoom online meeting platform on **Wednesday, 8 July 2026, at 9:30 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 30 July 2025
4. Management Report
5. Approval of Audited Consolidated Financial Statements of HSSSI and its subsidiaries as of 31 December 2025
6. Ratification of all acts, resolutions and proceedings of the Board of Directors and of Management, done in ordinary course of business since the 30 July 2025 Annual Stockholders' Meeting up to 8 July 2026
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

The Board of Directors has fixed 8 June 2026 as the record date for the determination of stockholders entitled to be notified, participate, and vote at the Annual Stockholders' Meeting ("Stockholders of Record").

Stockholders of Record may only attend/participate via proxy, remote communication or vote in absentia, subject to validation procedures.[2] Only validated stockholders will be provided access to the Zoom meeting platform and can cast their votes in absentia on or before 30 June 2026 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-2026@harborstar.com.ph or fill up the registration form at www.harborstar.com.ph/asm2026registrationform on or before 25 June 2026.

HSSSI is not soliciting 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 email to asm-2026@harborstar.com.ph on or before 30 June 2026.

Stockholders may send their queries and comments to the Management Report and other items in the Agenda to asm-2026@harborstar.com.ph on or before 3 July 2026.

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 http://www.harborstar.com.ph/investors/pse_disclosures.

Very truly yours,

(SGD) CHARLENE O. ANG
Corporate Secretary

[1] During the meeting, the presiding officer will be at HSSSI's principal office located at 2224 A. Bonifacio Street corner Pres. Sergio Osmeña Highway, Bangkal, Makati City, 1233.
[2] For the detailed registration and voting procedures, please visit http://www.harborstar.com.ph/ and refer to the "Guidelines for Participation via Remote Communication and Voting in Absentia and through Proxy".

MT - June 16 & 17, 2026

. Del Rosario, of legal age, married, Filipino sident of #22 21st Avenue, Cubao, Quezon e Philippines, after having been duly sworn to law, do hereby depose and state:

m the Credit and Collection Head of **The Times**, a newspaper which is published nd Printed in English and Edited in Metro nd circulated nationwide daily from Monday y with postal address at 2/F Sitio Grande, oriano Avenue, Intramuros, Manila

e attached **NOTICE OF ANNUAL OLDERS' MEETING / THE 2026 ANNUAL G OF THE STOCKHOLDERS OF HARBOR HIPPING SERVICES, INC. ("HSSSI") WILL) AND CONDUCTED VIRTUALLY VIA THE ONLINE MEETING PLATFORM ON DAY, 8 JULY 2026, AT 9:30 A.M. FOR LOWING PURPOSES**

ished in **The Manila Times** newspaper in s of **JUNE 16 & 17, 2026**

s whereof, I signed this Affidavit in Manila, es, this 17 JUN 2026 day of ___________, 2026

[redacted]

EDEN F. DEL ROSARIO
Affiant

e and sworn to before me this 17 JUN 2026 day of ___, 2026 in Manila, Philippines, affiant to me her [redacted]

Doc. No. 905
Page No 181
Book No. 11
Series of 2026

[redacted]

"ANNEX B"

Manila Standard

PHILIPPINE MANILA STANDARD PUBLISHING, INC.

HARBOR STAR
SHIPPING SERVICES, INC.

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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 http://www.harborstar.com.ph/investors/pse_disclosures.

Very truly yours,

(SGD)
CHARLENE O. ANG
Corporate Secretary

[1] During the meeting, the presiding officer will be at HSSSI's principal office located at 2224 A. Bonifacio Street corner Pres. Sergio Osmeña Highway, Bangkal, Makati City, 1233.
[2] For the detailed registration and voting procedures, please visit http://www.harborstar.com.ph/ and refer to the "Guidelines for Participation via Remote Communication and Voting in Absentia and through Proxy".

AFFIDAVIT OF PUBLICATION

I, Mario R. Policarpio Jr., Chief Accountant of Manila Standard, with office address at 6th 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 16 & 17, 2026

a Notice:

HARBOR STAR SHIPPING SERVICES, INC.
(HSSSI)

RE : NOTICE OF ANNUAL STOCKHOLDERS' MEETING

IN WITNESS WHEREOF, I hereby affix my signature this 18TH day of JUNE 2026 in Makati City.

[redacted]

MARIO R. POLICARPIO JR.
Authorized Signatory

SUBSCRIBED AND SWORN to before me this 18TH day of JUNE, 2026 in Makati City, affiant exhibiting to me his [redacted]

Doc. No.: 340 ; [redacted]
Page No. : 69 ;
Book No. : 74 ;
Series of 2026.

"ANNEX C"

HARBOR STAR
SHIPPING SERVICES, INC.

MESSAGE TO OUR STOCKHOLDERS

Annual Stockholders' Meeting 2026

Dear Fellow Shareholders,

Good morning!

I am honored to present Harbor Star Shipping Services, Inc.'s Management Report for the fiscal year 2025.

The past year was marked by continued global uncertainties such as geopolitical tensions, fuel price volatility, and currency pressures. Yet through disciplined execution and strategic focus, Harbor Star remained resilient while continuing to strengthen its foundation for long-term growth.

Harbor Star continues to position itself as a fully integrated maritime solutions provider.

Our services span across harbor assistance, lighterage, towing, salvage, oil spill response, diving, dredging, solar energy, construction, and other specialized marine services.

This diversified portfolio allows us to respond to evolving market demands while building multiple revenue streams beyond our core business.

In 2025, we achieved a record-high assisted vessel volume of 8,686, reflecting strong demand across both domestic and foreign vessel segments and reinforcing our position as the most widely deployed marine services provider in the Philippines.

However, total group net revenue declined by 8% or approximately PHP 247 million, primarily due to external pressures such as rising financing costs, fuel price volatility, and foreign exchange losses.

Despite this, our harbor assistance segment remained stable, contributing 62% of total revenues, demonstrating the strength and reliability of our core operations.

These results reflect both the resilience of our operations and the importance of continuing to strengthen earnings quality moving forward.

While overall revenues softened, our diversification strategy continued to deliver results through strong growth in higher-value services.

- **Salvage services** recorded PHP 124.65 million, marking a remarkable 1,782% increase, driven by complex recovery operations.
- **Lighterage services** grew to PHP 131.01 million, up 133%, reflecting increased demand for cargo transfer solutions.
- **Towing services** reached PHP 48.44 million, increasing 24% year-on-year.

- **Other services** contributed PHP 118.26 million, up 37%, further expanding our revenue base.

These gains highlight our ability to unlock value from specialized services and reinforce our long-term strategy of diversification.

We continued to invest in our operational capabilities and long-term competitiveness.

We are progressing with the construction of a new 80-ton bollard pull Azimuth Stern Drive (ASD) tugboat, scheduled for delivery in August 2026. This asset will support LNG-related operations and position Harbor Star to capture opportunities in the growing energy sector.

At the same time, we maintained our triple ISO certifications for quality, environmental management, and occupational health and safety, ensuring that we operate at globally recognized standards.

Our continuous transition to SAP systems has further enhanced operational integration and efficiency across the organization.

We also strengthened our oil spill response and emergency services capabilities, reinforcing Harbor Star's role as a reliable partner in critical maritime incidents.

Our people remain at the core of our success.

We continued to invest in workforce development, strengthen our organizational culture, and prioritize employee engagement across all levels.

In terms of safety, we achieved over 11.2 million safe man-hours with zero work-related fatalities, underscoring our unwavering commitment to operational excellence and safety standards.

On sustainability, we advanced our environmental initiatives, including our solar energy operations, which generated approximately 36.7 million kWh of clean energy, supporting the country's transition to renewable energy.

We also maintained our commitment to social responsibility through livelihood programs, coastal protection initiatives, and community engagement efforts.

As we move forward into 2026, our strategy remains clear and focused:

- Strengthen our core harbor assistance business;
- Expand higher-value and specialized services;
- Implement our re-fleeting program; and
- Maintain strict cost discipline

The delivery of our new ASD tugboat and continued investments in energy-related services will open new growth opportunities, particularly in LNG and infrastructure support.

At the same time, we remain committed to strengthening financial resilience and delivering sustainable value to our shareholders.

In closing, I extend my sincere gratitude to our shareholders, clients, partners, and employees for your continued trust and support.

Your confidence drives us to navigate challenges, seize opportunities, and deliver excellence in every harbor we serve.

Together, we will continue to steer Harbor Star toward sustainable growth and long-term success.

Thank you.

HARBOR STAR
SHIPPING SERVICES, INC.

2026 1st Quarter Updates

Annual Stockholders' Meeting 2026

Good morning, ladies and gentlemen.

The first quarter of 2026 reflects both the resilience and evolving dynamics of the maritime and logistics industries. While market conditions remain complex, characterized by shifting demand patterns, operational adjustments, and financial discipline, Harbor Star continues to respond with agility and strategic focus.

Our performance this quarter demonstrates not only our ability to adapt, but also our commitment to sustaining growth across core and emerging service lines, while strengthening profitability and financial position.

For the first quarter of 2026, Harbor Star recorded total net service income of PHP 610.7 million, a 4% decline compared to the same period last year.

Despite the overall decrease, several key segments delivered strong growth:

- **Harbor Assistance** remained our primary revenue driver at PHP 436 million, increasing by 6% year-on-year, reflecting continued port activity and client demand.
- **Lighterage Services** posted a remarkable recovery, rising to PHP 34.6 million, or 459% growth, highlighting renewed operational activity.
- **Underwater Services** surged to PHP 69 million, a 419% increase, indicating strong demand for specialized marine solutions.
- **Solar Power operations** also improved, reaching PHP 39 million, up 45%, as performance stabilizes.

However, these gains were offset by declines in other segments:

- **Oil Spill Response** decreased significantly to PHP 9.7 million, following reduced incident-related activities compared to last year's elevated levels.
- **Towing Services** declined by 51% to PHP 10.8 million.
- **Construction and other revenues** also contracted due to project timing and normalization of prior year one-off revenues.

Overall, the quarter reflects a transition from extraordinary, event-driven revenues to more normalized and sustainable operating levels.

Despite the slight decline in revenues, Harbor Star delivered a strong improvement in profitability.

- **Net income before tax** increased to PHP 46 million, up 77% year-on-year.
- **Profit after tax** reached PHP 39.9 million, representing a 61% increase compared to last year.

This performance was driven by disciplined cost management and operational efficiency:

- **Cost of services** decreased by 6%, reflecting improved fuel management, optimized deployment, and cost controls.
- **Other charges** declined significantly by 60%, easing pressure on overall margins.

Meanwhile, **general and administrative expenses** increased by 20%, as we continue to invest in organizational capability, systems, and support functions for long-term growth.

These results highlight our ability to translate operational discipline into stronger profitability, even in a lower revenue environment.

As of March 31, 2026, Harbor Star maintains a stable and strengthening financial position.

- **Total assets** stood at PHP 7.17 billion, slightly lower by 0.96%, reflecting asset optimization.
- **Total liabilities** decreased by 2%, indicating continued debt management and obligations control.
- **Retained earnings** rose significantly by 33% to PHP 471 million, supported by improved profitability.
- **Total equity** increased by 2%, reinforcing our capital base.

These figures demonstrate that Harbor Star continues to build financial strength while maintaining disciplined capital allocation.

Our key financial ratios further reflect both improvement in profitability and prudent capital management, with some short-term liquidity considerations:

- **Net profit margin** improved to 6.54%, compared to 3.91% last year.
- **Gross profit margin** increased to 30.23%, signaling stronger operational efficiency.
- **Debt-to-equity ratio** improved to 1.73, reflecting reduced leverage and better balance sheet structure.
- **Interest coverage ratio** strengthened to 1.93, indicating enhanced capacity to service financial obligations.

However:

- **Current ratio** decreased to 0.67, and
- **Quick ratio** declined to 0.51

reflecting tighter working capital conditions, which we continue to actively manage through collection improvements and cash flow optimization.

The Company remains financially sound, with improving profitability and disciplined leverage, while closely monitoring liquidity.

In closing, the first quarter of 2026 highlights a strategic shift toward sustainable and efficiency-driven growth. While revenues normalized following last year's exceptional gains, we successfully delivered stronger profitability, improved margins, and a more resilient financial position. Thank you for your continued trust and support.

Good day, and let us continue steering Harbor Star toward sustained growth and operational excellence.

Thank you.