

MINUTES OF THE ANNUAL MEETING
OF STOCKHOLDERS

SSI GROUP, INC.

Held on 15 June 2016, 9:00 a.m.
at the Rigodon Ballroom
The Peninsula Manila
Makati City

PRESENT:

ANTHONY T. HUANG
MA. TERESA R. TANTOCO
BIENVENIDO V. TANTOCO III
EDUARDO T. LOPEZ III
EDGARDO LUIS PEDRO T. PINEDA
JOSE TEODORO K. LIMCAOCO (INDEPENDENT DIRECTOR)
CARLO L. KATIGBAK (INDEPENDENT DIRECTOR)

ALSO PRESENT:

ELIZABETH T. QUIAMBAO
ROSSELLINA J. ESCOTO
MA. MARGARITA A. ATIENZA
CHERYL ANNE M. BERIOSO
MA. ALICIA G. PICAZO-SAN JUAN
PATRICIA JANELLI A. DAVIDE

SHARE INFORMATION:

Total Number of Issued and Outstanding Shares	3,312,864,430
Total Number of Shares Represented at the Meeting	2,471,836,602
Percentage of Shares Represented	74.61%

I. CALL TO ORDER

In the absence of Mrs. Zenaida Tantoco, Mr. Anthony T. Huang, President of SSI Group, Inc. ("SSI" or the "Company"), acted as Chairman of the Meeting, called the meeting to order and presided over the same. The Assistant Corporate Secretary, Atty. Ma. Alicia G. Picazo-San Juan, recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

Upon request of the Mr. Huang, the Assistant Corporate Secretary confirmed (i) that notices were duly sent by mail or special messengerial service to all stockholders of record of the Company as of 16 May 2016, the record date of the meeting, (ii) that based on the records, there were represented at the meeting, in person or by proxy, stockholders owning 2,471,836,602 shares, representing 74.61% of the total issued and outstanding capital stock of the Company, and (iii) that there was a quorum to transact business therein.

III. APPROVAL OF MINUTES OF PREVIOUS STOCKHOLDERS' MEETING

Upon motion duly made and seconded, the stockholders resolved to approve the minutes of the Annual Stockholders' Meeting held on 15 June 2015 in its entirety.

IV. APPROVAL OF THE ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2015

The President reported on the financial condition and results of operations of the Company for the year 2015 and for the first quarter of 2016. The Assistant Corporate Secretary noted that copies of the Annual Report for the year ended 31 December 2015 were furnished and sent to all stockholders of record. The Audited Financial Statements were incorporated in the Annual Report of the Company. These were likewise summarized in the Definitive Information Statement, copies of which were distributed to the stockholders of record together with the Notice of the Meeting.

After the presentation of the report, and upon motion duly made and seconded, the stockholders approved the Annual Report and Audited Financial Statements of the Company for the fiscal year ended 31 December 2015.

V. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND OF MANAGEMENT SINCE THE LAST STOCKHOLDERS' MEETING

Upon motion duly made and seconded, the stockholders resolved to ratify and confirm all acts done or caused to be done by the Board of Directors and Management of the Company since the last stockholders' meeting held on 15 June 2015, as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures made and duly filed with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).

VI. ELECTION OF DIRECTORS

At the request of the President, the Assistant Corporate Secretary reported that the following qualified individuals were duly nominated for election as directors of the Company for the year 2016 to 2017 and until their successors-in-interest have been duly elected and qualified:

1. Zenaida R. Tantoco
2. Anthony T. Huang
3. Ma. Elena T. Valbuena
4. Ma. Teresa R. Tantoco
5. Bienvenido V. Tantoco III
6. Eduardo T. Lopez III
7. Edgardo Luis Pedro T. Pineda
8. Jose Teodoro K. Limcaoco
9. Carlo L. Katigbak

The Corporate Secretary identified Messrs. Limcaoco and Katigbak as nominees for independent directors. There being no other nominations, and upon motion made and duly seconded, the nominations were declared closed.

A stockholder moved that all nine (9) individuals nominated to the Board of Directors of the Company for the year 2016 be elected as members of the Board of Directors. The Assistant Corporate Secretary informed the stockholders that based on the votes cast in favor of all of the above-named nominees, which were tabulated with the assistance of the Company's stock transfer agent, Rizal

Commercial Banking Corporation – Stock Transfer Department, the foregoing persons were elected as members of the Board of Directors. The Chairman of the Meeting accordingly declared the nine (9) nominees duly elected as directors of the Company for the year 2016 and until their successors-in-interest have been duly elected and qualified.

VII. APPOINTMENT OF EXTERNAL AUDITORS FOR FISCAL YEAR 2016

Mr. Huang stated that the Company submits for approval of the stockholders the reappointment of the Company's external auditors, Sycip, Gorres, Velayo & Co., upon the recommendation of the Audit Committee.

Upon motion duly made and seconded, the stockholders approved the reappointment of Sycip, Gorres, Velayo & Co. as the Company's external auditors for fiscal year 2016.

VIII. OTHER MATTERS

The Chairman of the Meeting then opened the floor for questions from the stockholders.

A stockholder raised a question whether or not SSI is at its optimum size given the current number of its stores and whether or not SSI has any plan to expand in the next year. Mr. Huang replied that the Company, as a business strategy, is both opening new stores based on performance of existing and new brands, as well as rationalizing some stores based likewise on brand performance in the market. It was noted that the Company does not view the matter purely on the basis of store area (in square meters) but rather looks at it on a per store, brand performance level. The President further noted that the Company has launched its e-commerce operations in January 2016. The results of Payless have encouraged the Company to also launch an outlet store website. Meanwhile, the Beauty Bar website has proved to be a steady business which consumers frequent when they replenish personal items via online shopping.

Another stockholder raised a question on the Company plans to build lasting relationships with young consumers, considering that a number of the brands in the Company's portfolio target such segment of the market. Mr. Huang explained that it has always been the goal of the Company to be able to monitor and cater to the needs of the young consumers as a market segment, and that the curating of brands to be acquired and marketed by the Company is well studied and calculated, as can be gleaned from successful sales results thus far. The President added that to reinforce this, the Company has invested heavily in a customer relations management (CRM) platform that provides not only a database of consumers, but a detailed analysis of their spending habits, among others, which helps the Company's sales team create and maintain more intimate relationships with the consumers. Finally, to stay ahead of the competition, the Company has likewise invested in e-commerce to keep up with the changing lifestyle of these consumers.

Another stockholder remarked that in terms of share price, the Company is extremely undervalued. He then raised the question of whether the Company had any plans of buying back shares. The President stated that there are as yet no plans of any share buyback at this point and that the Company continues to remain focused on topline sales and brand portfolio strength.

A stockholder also inquired about the driver of growth in the "Others" category, to which the President responded that the beauty business, which is performing very well, primarily accounts for said growth. Other contributing factors are the rollout of the Salad Stop business, TWG (whose institutional sales are outperforming), and the home business (e.g. Pottery Barn, Pottery Barn Kids, and West Elm).

IX. ADJOURNMENT

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

[Signature page follows]

CERTIFIED CORRECT:


MA. ALICIA G. PICAZO-SAN JUAN
Assistant Corporate Secretary

ATTESTED BY:


ANTHONY T. HUANG
Chairman of the Meeting