

MINUTES OF THE ANNUAL MEETING
OF STOCKHOLDERS

SSI GROUP, INC.

Held on 22 September 2022, 11:00 a.m.
Via Teleconference

DIRECTORS PRESENT:

ANTHONY T. HUANG
MA. TERESA R. TANTOCO
MA. ELENA R. TANTOCO
BIENVENIDO V. TANTOCO III
EDUARDO T. LOPEZ III
EDGARDO LUIS PEDRO T. PINEDA
ARTHUR R. TAN (INDEPENDENT DIRECTOR)

SHARE INFORMATION:

Total Number of Issued and Outstanding Shares	3,298,408,430
Total Number of Shares Represented at the Meeting	2,326,298,157
Percentage of Shares Represented	70.53%

I. CALL TO ORDER

The President, Mr. Anthony T. Huang, acting as Chairman of the Meeting, called the meeting to order and presided over the same. The 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 Acting Chairperson, the Corporate Secretary confirmed (i) that notices were published online and in print format in the Daily Tribune, Philippine Daily Inquirer, and Business World, newspapers of general circulation, on August 31 and September 1, 2022 online and in print format, and posted on the website of the Company and the Philippine Stock Exchange (PSE), all in accordance with the requirements of the Securities and Exchange Commission (SEC), (ii) that based on the records, there were represented at the meeting, in person or by proxy, stockholders owning 2,326,298,157 shares, representing 70.53% of the total issued and outstanding capital stock of the Company, and (iii) that there was a quorum to transact business therein. The Corporate Secretary explained that this meeting is being conducted through remote communication pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, and proceeded to discuss the rules and procedures for the conduct of this meeting.

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 29 June 2021 in its entirety.

The breakdown of the votes cast on this matter was as follows:

Votes in favor	-	2,325,049,151 (99.95% of total voting shares represented in the meeting)
	-	
Votes against	-	Nil
Abstentions	-	Nil

IV. APPROVAL OF THE ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2021

The President reported on the financial condition and results of operations of the Company for the year 2021. The Corporate Secretary noted that copies of the Annual Report for the year ended 31 December 2021 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 posted on the website of the Company and the PSE.

2021 was a unique year for the Group. During the first three quarters of the year, the Group was contending with the operating challenges brought about by high COVID cases and various forms of COVID lockdowns. During these challenging quarters, the Group continued to focus on strategies to maximize cash flows, optimize expenses, and maintain compelling retail channels through which customers could reach the Group.

By the fourth quarter, with COVID cases relatively controlled, the Group began to benefit from strategies put in place to ensure that the Group would be well-positioned to capture increases in consumer demand in a post-COVID environment.

The Group's accumulated experience coupled with a sound financial and operating platform would allow the Group to respond to the challenges of COVID with flexibility, resilience, and innovativeness. The Group's performance in 2021 validates this statement, given the quick turnaround of its performance. Our full year 2021 revenues were at Php15.5 Billion, an increase of 26% year-on-year (YOY), and operating income in 2021 was at Php894 Million, a 394% increase over the operating losses incurred in 2020.

Profitability returned in 2021, with full year net income of Php151 Million, a 117% increase as compared to losses of Php904 Million in 2020. Also, the Group generated significant amounts of cash, with Php4.3 Billion of operating cashflow generated during the year.

The Group ended the first half of 2022 with 92 brands across a diverse range of categories. Following the rationalization of some brands in 2020 and 2021, its current portfolio now consists of some of the most compelling and recognizable brands in each of the categories in which it operates. Throughout 2022, the Group will continue to leverage on the quality of its brands and will also be opening new brands, such as Roger Vivier and Faure la Page.

The Group also ended the first half of 2022 with 518 stores, concentrated in prime retail locations nationwide. The store rationalization program it undertook in response to COVID had ensured that its stores are located in the best retail locations of the country. Such strategic store network enabled the Group's operating and financial turnaround in 2021, and the Group continued to benefit from this store network throughout the first half of 2022.

As with previous quarters, during the fourth quarter of 2021, luxury, bridge, and casual continued to outperform the broader portfolio. However, during the same period, the Group also saw significant growth for fast fashion and footwear, accessories and luggage. Prior to the fourth quarter 2021, these categories were very negatively impacted by COVID. However, a large amount of pent-up demand for

fast fashion and footwear products translated into improved sales during the latter part of 2021. As customers continue to return to work and resume their pre-COVID lifestyles, it is expected that sales will continue to improve across all categories of the Group.

In 2021, the Group's e-commerce business grew to Php1.5 Billion, an increase of 91%, and accounting for almost 10% of the Group's total sales. The Group expanded its e-commerce presence by opening Oldnavy.com.ph in October 2021 and MassimoDutti.ph in May 2022. The Group also continued to refine its multi-brand site, Trunc.ph, increasing the number of brands available on Trunc to 117 brands, with Trunc sales increasing by 144% YOY. Furthermore, the openings of Old Navy and Massimo Dutti had expanded the Group's online portfolio to 13 e-commerce sites, to include e-commerce sites for Zara, Lacoste, Marks and Spencer, Gap, Banana Republic, Payless, Beauty Bar, Lush, Superga and Dune London. Given the breadth of its e-commerce presence, the Group continued to be the specialty retailer with the most diverse and exciting e-commerce presence.

The Group also continued to expand its restaurant business in 2021, opening one (1) new Shake Shack branch at Alabang Town Center in October 2021. Heybo, a new restaurant brand focused on serving protein bowls, is expected to open in 2023. Food service is an additional avenue of growth for the Group as it strives to serve the lifestyle needs of Filipino consumers.

The gains made during the latter part of 2021 continued during the first half of 2022, as favorable operating conditions combined with the Group's operating efficiencies led to a very strong performance during the first half of the year. First half sales were at Php10 Billion, a YOY increase of 56%, and slightly higher than total per-COVID sales during the first half of 2019. Operating Income for the period increased by 398% YOY to Php1.04 Billion, and the Group was extremely profitable with net income at Php491 Million, an increase of 383%. Operating cash flow of Php2.0 Billion was generated during the first half, ending the period with a cash balance of Php7.1 Billion and net debt of negative Php2.4 Billion.

Throughout 2022, the Group will continue to focus on maintaining operating and financing flexibility, cognizant of possible headwinds in 2022 and 2023, in the form of a weaker peso, higher interest rates and higher inflation. As in the past, the Group will leverage on its resilient customer base, brand portfolio, and store network by ensuring that its customers enjoy compelling and fresh retail experiences each time they step into its stores. The Group will also continue to build on the experiences and lessons learned during the COVID pandemic.

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 2021.

The breakdown of the votes cast on this matter was as follows:

Votes in favor	-	2, 324,080,894 (99.90% of total voting shares represented in the meeting)
Votes against	-	Nil
Abstentions	-	968,257

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 29 June 2021, 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 SEC and the PSE.

The breakdown of the votes cast on this matter was as follows:

Votes in favor	-	2, 324,080,894 (99.90% of total voting shares represented in the meeting)
Votes against	-	Nil
Abstentions	-	968,257

VI. ELECTION OF DIRECTORS

At the request of the Acting Chairperson, the Corporate Secretary reported that the following qualified individuals were duly nominated for election as directors of the Company for the year 2022 to 2023 and until their successors-in-interest have been duly elected and qualified:

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

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

The 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.

Votes were cast in respect of the election of the directors as follows:

Nominee	Votes In Favor	Votes Against	Abstentions
Zenaida R. Tantoco	2,316,367,477	8,681,674	Nil
Anthony T. Huang	2,290,528,025	34,521,126	Nil
Ma. Teresa R. Tantoco	2,298,462,015	26,587,136	Nil
Ma. Elena R. Tantoco	2,267,001,190	58,047,961	Nil
Bienvenido V. Tantoco III	2,259,067,200	65,981,951	Nil
Eduardo T. Lopez III	2,267,001,190	58,047,961	Nil
Edgardo Luis Pedro T. Pineda	2,266,982,111	58,067,040	Nil

Nominee	Votes In Favor	Votes Against	Abstentions
Carlo L. Katigbak (Independent Director)	2,322,833,467	2,215,684	Nil
Arthur R. Tan (Independent Director)	2,324,301,467	747,684	Nil

The Acting Chairperson accordingly declared the nine (9) nominees duly elected as directors of the Company for the year 2022 and until their successors-in-interest have been duly elected and qualified.

VII. APPOINTMENT OF EXTERNAL AUDITORS FOR FISCAL YEAR 2021

The Acting Chairperson stated that the Company submits for approval of the stockholders the reappointment of the Company's external auditors, SGV & Co., upon the recommendation of the Audit Committee.

Upon motion duly made and seconded, the stockholders approved the reappointment of SGV & Co. as the Company's external auditors for fiscal year 2022.

The breakdown of the votes cast on this matter was as follows:

- Votes in favor - 2,325,049,151 (99.95% of total voting shares represented in the meeting)
- Votes against - Nil
- Abstentions - Nil

The Acting Chairperson accordingly declared SGV & Co. reappointed as external auditors of the Company for the year 2022.

VIII. OTHER MATTERS

The Acting Chairperson then opened the floor for questions from the stockholders.

A shareholder asked what the Group's outlook for the second half of the year is. Mr. Huang answered that despite the inflationary pressures and exchange rate issues currently faced today, the Group will remain optimistic and hopeful for the second half of the year considering that the upcoming holiday season will be the first "normal" holiday season for its customers since 2019. From an inventory planning standpoint, the Group will be better prepared for the second half of the year in terms of managing its inventory, taking into account its better-than-expected performance in the first half of the year.

Another shareholder, Mr. Anthony Gilbert Antiquiera asked whether the Group opened more Starbucks and Shake Shack branches in the Philippines in 2021. Mr. Huang responded that he cannot answer for the store development plans of Starbucks as it is part of Rustan's Group and not SSI Group. However, for Shake Shack, Mr. Huang answered that a new Shake Shack branch opened in Alabang Town Center in October 2021, while a fifth branch is expected to open in Mall of Asia before the year ends.

IX. ADJOURNMENT

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

CERTIFIED CORRECT:


MA. ALICIA G. PICAZO-SAN JUAN
Corporate Secretary

ATTESTED BY:

ANTHONY T. HUANG
Acting Chairperson