

HRNETGROUP LIMITED
Company Registration No. 201625854G
(Incorporated in Singapore)
(the “Company”)

MINUTES OF ANNUAL GENERAL MEETING

| | |
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| Date and time | : Wednesday, 6 May 2020 at 10.00 a.m. |
| Place | : The Annual General Meeting was held by way of electronic means through a live webcast and a live audio feed. |
| Present | : Please see attendance list attached hereto. |
| In Attendance | : Please see attendance list attached hereto. |

Mr Fadzlin Rashid, the Communications Leader, welcomed shareholders to the Company’s first-ever virtual AGM.

CHAIRMAN

Mr Sin Boon Ann (“Mr Sin”), the Lead Independent Director of the Company, was invited to assist the Chairman, Mr Peter Sim, to lead the proceedings of the Meeting. Mr Sin extended a warm welcome to the shareholders and called the meeting to order at 10.00 a.m. It was noted that a quorum was present.

SPECIAL NOTE ON CONDUCT OF THE MEETING

In adhering to the various advisories and guidance issued by the authorities amid the COVID-19 outbreak, the meeting was conducted with live webcast. Shareholders who pre-registered with the Company watched the proceedings through a live webcast.

INTRODUCTION

Mr Sin Boon Ann introduced himself, the Directors and Officers present at the Meeting. Before proceeding to the business of the Annual General Meeting (“AGM”), Mr Sin invited Ms Adeline Sim, the Executive Director and Chief Legal Officer, to make a presentation on the Group’s business. After the conclusion of Ms Adeline Sim’s presentation, Ms Jennifer Kang presented the financial highlights for the year ended 31 December 2019 as well as responded to questions raised by shareholders and Securities Investors Association (Singapore) (“SIAS”) as follows:

Question 1:

Though your Professional Services business in Singapore has dropped in 2019, have you expanded market share in 2019?

At this point in time, the Company does not know if they have expanded their market share in 2019 because the Accounting and Corporate Regulatory Authority’s data on all Singapore competitors are not yet fully available.

Question 2:

Outlook for 2020 (especially first few months of the year) business performance, how severe is the impact of the Circuit Breaker or COVID-19 on the business?

In summary, the downward pressure on business performance is severe and expects to continue in the rest of 2020. The Company is not able to quantify the severity of impact as of now.

Question 3:

In view of current challenging economic situation how HRnetGroup's business has been performing versus competitions?

HRnetGroup’s business performance seems consistent with the Company’s observations of certain recruitment companies that made disclosure on their Asia Pacific operations.

Question 4:

As part of your Merger and Acquisition strategy since the Company's initial public offering, you have acquired a few companies in Indonesia, Malaysia, United Kingdom in last 1 to 2 years. In view of currently many Human Resource companies are available for acquisition at very attractive price, have you shortlisted any companies if so in which geographical area or countries?

In the last 2 years, the Company acquired one business in each of Mainland China and Hong Kong, and had entered into a Joint Venture in Jakarta and also made minority-stake investments in the United Kingdom and Hong Kong. The Company did not make any acquisitions in Malaysia.

The Company is currently looking out for good buys and will make announcements as and when relevant transactions take place.

Question 5:

Outlook on overseas investment (including Staffline in United Kingdom and others).

The context and developments are shared through the responses to the questions that followed.

Last year, the Company made an opportunistic acquisition of 29.95% in UK AIM-listed Staffline Group plc ("Staffline") at a total cost of S\$55.4m.

We have observed how Staffline rose to their Billion-pound mark in revenues, how they picked themselves up from the payroll incident, how they walked through Brexit pains last year. And now, the world is walking through COVID-19 together. Staffline is no exception.

How does the Company treat the Staffline investment in the financial statements?

As confirmed with the Company's Auditors, the Company has no significant influence over Staffline to apply the equity method to treat it as an associate and therefore, it has been classified as financial assets to measure at FVTOCI (fair value to other comprehensive income).

As such, the Company's investment is marked to market and the share of profit or loss at Staffline was not taken in.

Question 6:

What did we do to invest an estimated \$55.4m when we did not have access to detailed financial information to carry out due diligence nor did we appoint a non-executive director to the board of Staffline?

The Company made due and appropriate enquiries with the key management and relevant personnel, obtained independent reference checks and performed onsite fieldwork with key managers and operational staff in various cities of operations in the United Kingdom.

Question 7:

Is there a timeline for Ms Adeline Sim to be appointed to the board of Staffline?

None we envisage at the moment.

Question 8:

How much more has the board earmarked to invest or support Staffline?

None that is envisaged at the moment though the Company conduct assessments of all the portfolio holdings on a regular basis to determine the best course of action at each point in time.

Question 9:

Given that Management should be fully occupied with operational issues in its core markets during this pandemic, does the Group has the bandwidth to safeguard its non-controlling investments without stretching itself too thinly?

8 months on and until last month, Staffline announced changes in the Board. What started off as a 6-member board when the Company initially acquired its stake, has now been streamlined to a lean board of 3 new members comprising an Executive Chairman and 2 Independent Non-Executive Directors. These directors are very senior, well-qualified and experienced executives whom the Company believes would be effective in leading Staffline and partnering the 3 Managing Directors of the businesses towards short-term recovery, mid-term profitability and long-term sustainability.

The Company would continue to work through regular dialogue and exchange of ideas on best practices and industry knowhow with the board and executive team.

Question 10:

How is the Board managing the relationship with Staffline so that it does not consider this as a hostile approach?

The Board is in regular and professional contact with Staffline's board and management, with a long-term view towards helping them to regain profitability and effectiveness.

Question 11:

Can the Board help shareholders understand its plans for Staffline and Bamboos?

The Group has long-term intentions with its investments in Staffline and Bamboos. As Management get to know the respective boards and executive teams over time, the Company looks forward to work together and continue to discover each other's strengths and mutual synergies and ways to enhance shareholder value.

Ms Jennifer Kang added that the Company has addressed questions raised by SIAS and the responses from the Board would be announced via SGXNet this evening after trading hours.

The proceedings of the Meeting was handed back to Mr Sin to continue with the conduct of the meeting.

NOTICE

Mr Sin then proceeded with the business of the Meeting. The Notice convening the Meeting having been in the hands of the shareholders for the requisite statutory period was taken as read.

VOTING BY WAY OF A POLL

Shareholders were informed that voting on all resolutions passed at the AGM would be conducted by poll pursuant to Regulation 64A of the Company's Constitution. Moore Stephens LLP has been appointed as Scrutineer.

The validity of the proxies submitted by the Shareholders by the submission deadline of 10.00 a.m. on 3 May 2020 to appoint the Chairman of the Meeting to cast votes on their behalf had been reviewed and the votes of all such valid proxies had been counted and verified. The tabulated poll results would be declared after the passing of each motion for the ordinary resolutions.

ORDINARY BUSINESS**ORDINARY RESOLUTION 1 – ADOPTION OF THE DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 TOGETHER WITH THE AUDITORS’ REPORT THEREON**

The first item is to receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2019.

As questions from shareholders and SIAS have been responded earlier, Mr Sin announced the poll results as follows:

| | <u>Number of Shares</u> | <u>Percentage (%)</u> |
|----------------------------------|-------------------------|-----------------------|
| Ordinary Resolution 1 | | |
| Number of votes casted “FOR” | 835,944,508 | 100.00 |
| Number of votes casted “AGAINST” | 0 | 0 |
| Number of votes “ABSTAINED” | 0 | 0 |
| Total number of votes casted | 835,944,508 | 100.00 |

Based on the results, Mr Sin declared that Ordinary Resolution 1 was carried.

ORDINARY RESOLUTION 2 – DECLARATION OF A FINAL TAX EXEMPT (ONE-TIER) DIVIDEND OF 2.8 SINGAPORE CENTS PER ORDINARY SHARE

Ordinary resolution 2 dealt with the declaration of a final tax exempt (one-tier) dividend. The Board had recommended a final tax exempt (one-tier) dividend of 2.8 Singapore cents per ordinary share for the financial year ended 31 December 2019 (“Proposed Final Dividend”).

As there were no questions received, Mr Sin announced the poll results as follows:

| | <u>Number of Shares</u> | <u>Percentage (%)</u> |
|----------------------------------|-------------------------|-----------------------|
| Ordinary Resolution 2 | | |
| Number of votes casted “FOR” | 835,944,508 | 100.00 |
| Number of votes casted “AGAINST” | 0 | 0 |
| Number of votes “ABSTAINED” | 0 | 0 |
| Total number of votes casted | 835,944,508 | 100.00 |

Based on the results, Mr Sin declared that Ordinary Resolution 2 was carried.

ORDINARY RESOLUTION 3 – APPROVAL OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

Ordinary resolution 3 dealt with the approval of Directors’ fees for the financial year ending 31 December 2020. The Board had recommended the payment of Directors’ fees of S\$175,000 for the financial year ending 31 December 2020, to be paid half yearly in arrears.

As there were no questions received, Mr Sin announced the poll results as follows:

| | <u>Number of Shares</u> | <u>Percentage (%)</u> |
|----------------------------------|-------------------------|-----------------------|
| Ordinary Resolution 3 | | |
| Number of votes casted “FOR” | 835,944,508 | 100.00 |
| Number of votes casted “AGAINST” | 0 | 0 |
| Number of votes “ABSTAINED” | 0 | 0 |
| Total number of votes casted | 835,944,508 | 100.00 |

Based on the results, Mr Sin declared that Ordinary Resolution 3 was carried.

ORDINARY RESOLUTION 4 – RE-ELECTION OF MR SIM YONG SIANG AS DIRECTOR

Ordinary Resolution 4 dealt with the re-election of Mr Sim Yong Siang as a Director of the Company.

Mr Sin informed shareholders that Mr Sim Yong Siang would, upon re-election as a Director of the Company, remain as Founding Chairman of the Company and a member of the Nominating Committee.

As there were no questions received, Mr Sin announced the poll results as follows:

| | <u>Number of Shares</u> | <u>Percentage (%)</u> |
|------------------------------------|-------------------------|-----------------------|
| Ordinary Resolution 4 | | |
| Number of votes casted "FOR" : | 835,944,508 | 100.00 |
| Number of votes casted "AGAINST" : | 0 | 0 |
| Number of votes "ABSTAINED" : | 0 | 0 |
| Total number of votes casted : | 835,944,508 | 100.00 |

Based on the results, Mr Sin declared that Ordinary Resolution 4 was carried.

ORDINARY RESOLUTION 5 – RE-ELECTION OF MS HENG SU-LING MAE AS DIRECTOR

Ordinary Resolution 5 dealt with the re-election of Ms Heng Su Ling Mae as a Director of the Company.

Mr Sin informed shareholders that Ms Heng Su Ling Mae would, upon re-election as a Director of the Company, remain as an Independent Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

As there were no questions received, Mr Sin announced the poll results as follows:

| | <u>Number of Shares</u> | <u>Percentage (%)</u> |
|------------------------------------|-------------------------|-----------------------|
| Ordinary Resolution 5 | | |
| Number of votes casted "FOR" : | 816,854,375 | 97.72 |
| Number of votes casted "AGAINST" : | 19,090,133 | 2.28 |
| Number of votes "ABSTAINED" : | 0 | 0 |
| Total number of votes casted : | 835,944,508 | 100.00 |

Based on the results, Mr Sin declared that Ordinary Resolution 5 was carried.

ORDINARY RESOLUTION 6 – RE-APPOINTMENT OF MESSRS DELOITTE & TOUCHE LLP AS AUDITORS

Ordinary Resolution 6 dealt with the re-appointment of Messrs Deloitte & Touche LLP as auditors of the Company.

Mr Sin informed shareholders that the retiring auditors, Messrs Deloitte & Touche LLP, had expressed their willingness to continue in office.

As there were no questions received, Mr Sin announced the poll results as follows:

| | <u>Number of Shares</u> | <u>Percentage (%)</u> |
|------------------------------------|-------------------------|-----------------------|
| Ordinary Resolution 6 | | |
| Number of votes casted "FOR" : | 835,944,508 | 100.00 |
| Number of votes casted "AGAINST" : | 0 | 0 |
| Number of votes "ABSTAINED" : | 0 | 0 |
| Total number of votes casted : | 835,944,508 | 100.00 |

Based on the results, Mr Sin declared that Ordinary Resolution 6 was carried.

ANY OTHER ORDINARY BUSINESS

As no notice had been received in respect of any other ordinary business that may be properly transacted at the AGM, Mr Sin proceeded with the special business of the Meeting.

SPECIAL BUSINESS**ORDINARY RESOLUTION 7 – AUTHORITY TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES**

Ordinary Resolution 7 dealt with the authority to allot and issue shares and convertible securities pursuant to Section 161 of the Companies Act, Chapter 50 and empowered the Directors of the Company from the date of this Meeting until the date of the next AGM, to issue further shares and to make or grant convertible securities convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in aggregate 50 per cent of the total number of issued shares excluding treasury shares and subsidiary holdings of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 per cent of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time the resolution is passed, for such purposes as they consider would be in the interest of the Company. This authority would, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

As there were no questions received, Mr Sin announced the poll results as follows:

| | <u>Number of Shares</u> | <u>Percentage (%)</u> |
|------------------------------------|-------------------------|-----------------------|
| Ordinary Resolution 7 | | |
| Number of votes casted "FOR" : | 812,451,575 | 97.19 |
| Number of votes casted "AGAINST" : | 23,492,933 | 2.18 |
| Number of votes "ABSTAINED" : | 0 | 0 |
| Total number of votes casted : | 835,944,508 | 100.00 |

Based on the results, Mr Sin declared that Ordinary Resolution 7 was carried.

ORDINARY RESOLUTION 8 – PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

Ordinary Resolution 8 dealt with the proposed renewal of the share purchase mandate and authorised the Directors to purchase or otherwise acquire shares on the terms of the Share Purchase Mandate as set out in the Letter to Shareholders dated 16 April 2020.

As there were no questions received, Mr Sin announced the poll results as follows:

| | <u>Number of Shares</u> | <u>Percentage (%)</u> |
|------------------------------------|-------------------------|-----------------------|
| Ordinary Resolution 8 | | |
| Number of votes casted "FOR" : | 835,944,508 | 100.00 |
| Number of votes casted "AGAINST" : | 0 | 0 |
| Number of votes "ABSTAINED" : | 0 | 0 |
| Total number of votes casted : | 835,944,508 | 100.00 |

Based on the results, Mr Sin declared that Ordinary Resolution 8 was carried.

ORDINARY RESOLUTION 9 – AUTHORITY TO ALLOT SHARES UNDER 123GROW PLAN

Ordinary Resolution 9 dealt with the authority to allot shares under 123GROW Plan and empowered the Directors of the Company to offer and grant awards, and to allot and issue new shares in the capital of the Company, pursuant to the 123GROW Plan as may be modified by the Remuneration Committee from time to time, provided that the aggregate number of shares to be allotted and issued pursuant to the 123GROW Plan shall not exceed 15% of the total number of issued ordinary shares of the Company from time to time.

As there were no questions received, Mr Sin announced the poll results as follows:

| | <u>Number of Shares</u> | <u>Percentage (%)</u> |
|----------------------------------|-------------------------|-----------------------|
| Ordinary Resolution 9 | | |
| Number of votes casted "FOR" | 827,890,475 | 99.04 |
| Number of votes casted "AGAINST" | 8,054,033 | 0.96 |
| Number of votes "ABSTAINED" | 0 | 0 |
| Total number of votes casted | <u>835,944,508</u> | <u>100.00</u> |

Based on the results, Mr Sin declared that Ordinary Resolution 9 was carried.

CONCLUSION

There being no other business to transact, Mr Sin declared the AGM of the Company closed at 10.35 a.m.

Before the live webcast ended, Mr Fadzlin Rashid shared the Company's efforts made to reach out to their target audience across multiple social media platforms and a quick snapshot of the contents which includes industry insights from their leaders, tips and tricks from their consultants and even a couple of fun behind the scene stuff here and there.

CONFIRMED AS A CORRECT RECORD OF
THE PROCEEDINGS OF THE MEETING

[SIGNED]

SIN BOON ANN

Chairman of the Meeting