

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of HRnetGroup Limited (the “Company”) will be held at SGX Auditorium, Level 2, SGX Centre 1, 2 Shenton Way, Singapore 068804 on Friday, 26 April 2019. Breakfast will be served from 9.00 a.m. and meeting will commence at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS:

- To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2018 together with the Auditors’ Report thereon. **Resolution 1**
- To declare a final tax exempt (one-tier) dividend of 2.8 Singapore cents per ordinary share for the financial year ended 31 December 2018. **Resolution 2**
- To approve the payment of Directors’ fees of S\$230,000 for the financial year ending 31 December 2019, payable quarterly in arrears (2018: S\$230,000). **Resolution 3**
- To re-elect Mr Sim Joo Siang, who retires by rotation pursuant to Article 94 of the Company’s Constitution, as a Director of the Company. [See Explanatory Note (i)] **Resolution 4**
- To re-elect Mr Sin Boon Ann, who retires by rotation pursuant to Article 94 of the Company’s Constitution, as a Director of the Company. [See Explanatory Note (ii)] **Resolution 5**
- To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:–

7. Authority to allot and issue shares and convertible securities

“That pursuant to Section 161 of the Companies Act, Cap. 50 (the “Act”) and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited (the “SGX-ST”), authority be and is hereby given to the Directors of the Company to:

- issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise;
- make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,
- issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus, or capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:

- the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro rata basis, then the aggregate number of Shares to be issued under such circumstances (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below); and
- (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:–

- new Shares arising from the conversion or exercise of convertible securities;
- (where applicable) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
- any subsequent bonus issue, consolidation or subdivision of Shares, and, in sub-paragraph (a) above and this sub-paragraph (b), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

- (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.” [See Explanatory Note (iii)] **Resolution 7**

8. Proposed Renewal of the Share Purchase Mandate

THAT approval and authority be and is hereby given to the Directors of the Company:–

- For the purposes of the Companies Act, Chapter 50 of Singapore (the “Act”), the exercise by the Directors all the powers of the Company to purchase or otherwise acquire the ordinary shares in the capital of the Company (“Shares”) not exceeding in aggregate the Prescribed Limited (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- on-market purchases (each a “Market Purchase”) on the SGX-ST; and/or
- off-market purchases (each an “Off-Market Purchase”) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act, and otherwise in accordance with all other provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, is hereby authorised and approved generally and unconditionally (the “Share Purchase Mandate”);

- unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

- the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- the date on which the authority contained in the Share Purchase Mandate is varied or revoked; or
- the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate is carried out to the full extent mandated.

- in this Resolution:

“Prescribed Limit” means 10% of the issued ordinary share capital of the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time and subsidiary holdings (as defined in the Listing Manual of the SGX-ST));

“Relevant Period” means the period commencing from the date on which the Annual General Meeting is held and the resolution relating to the Share Purchase Mandate is passed and expiring on the date the next Annual General Meeting is held or is required by law to be held, whichever is the earlier; and

“Maximum Price” in relation to a share to be purchased, means an amount (excluding related brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- in the case of Market Purchase: 105% of the Average Closing Price;
- in the case of an Off-Market Purchase: 120% of the Average Closing Price or Highest Last Deal Price,

where:

“Average Closing Price” means the average of the last dealt prices of a share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the rules of the Listing Manual for any corporate action that occurs after the relevant five-day period; and

“day of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders, stating therein the purchase price (which shall not be more than the

Maximum Price calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution. [See Explanatory Note (iv)] **Resolution 8**

9. Authority to allot shares under 123GROW Plan

THAT approval be and is hereby given to the Directors to offer and grant awards in accordance with the provisions of the Company’s 123GROW Plan and to allot and issue or deliver from time to time such number of fully paid-up shares as may be required to be issued pursuant to the vesting of awards under the 123GROW Plan, provided always that the aggregate number of shares to be allotted and issued to the 123GROW Plan when aggregated with the aggregate number of shares over which awards are granted under any other share schemes shall not exceed 15% of the total number of issued shares of the Company from time to time.

The authority conferred by this Resolutions shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (v)] **Resolution 9**

- To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Sim Yong Siang
Founding Chairman
Singapore, 11 April 2019

Explanatory Notes:

- Ordinary Resolution 4 – Sim Joo Siang will, upon re-election as a Director of the Company, remain as a Director of the Company. He is considered an Executive and Non-Independent Director. Detailed information on Sim Joo Siang can be found under the “Board of Directors” and “Corporate Governance Report” sections in the Company’s Annual Report.
- Ordinary Resolution 5 – Sin Boon Ann will, upon re-election as a Director of the Company, remain as a Director the Company, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. He is considered to be independent pursuant to Rule 704(8) of the Listing Rule of SGX-ST. Sin Boon Ann is the Lead Independent Director. There are no relationships including immediate family relations between Sin Boon Ann and the other Directors or its 10% shareholders. Detailed information on Sin Boon Ann can be found under the “Board of Directors” and “Corporate Governance Report” sections in the Company’s Annual Report.
- Ordinary Resolution 7, if passed, will authorise and empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting, 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 interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company. As at 14 March 2019 (the “Latest Practicable Date”), the Company has 5,587,300 treasury shares and no subsidiary holdings.
- Ordinary Resolution 8, if passed, will renew the Share Purchase Mandate and will authorise 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 11 April 2019 (the “Letter”).

The Company may use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company’s financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired and the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the number of issued and paid-up Shares as at the Latest Practicable Date and disregarding the Shares held in treasury, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 100,581,957 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 100,581,957 Shares at the Maximum Price of S\$0.83 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the Main Board of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 100,581,957 Shares is approximately S\$83,483,024.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 100,581,957 Shares at the Maximum Price of S\$0.95 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the Main Board of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 100,581,957 Shares is approximately S\$95,552,859.

The rationale for the authority and the illustrative financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2018 are set out in greater detail in the Letter enclosed together with the Annual Report.

- Ordinary Resolution 9, if passed, will empower 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.

Notes:

- A member (other than a Relevant Intermediary) is entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s form of proxy appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be specified in the form of proxy.

“Relevant Intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

- A proxy need not be a member of the company.
- A member which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
- The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than seventy-two (72) hours before the time appointed for the holding of the Annual General Meeting of the Company.
- A Depositor’s name must appear in the Depository Register maintained by the Central Depository (Pte) Limited at least seventy-two (72) hours before the time fixed for the holding of the Annual General Meeting or any postponement or adjournment thereof, in order for the Depositor to attend and vote at the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.