

2025 ANNUAL REPORT

HRnet FOR ALL HR

HRnetGroup

18

Cities

20

Brands

41

Business Units

One HRnet

Table of
Contents

| | |
|-----|----------------------------------|
| 02 | Our Business Models |
| 05 | Where We Are |
| 06 | Our Growth Story |
| 08 | Board of Directors |
| 10 | Letter to Shareholders |
| 12 | Financial Highlights |
| 17 | Sustainability Report |
| 41 | Corporate Information |
| 42 | Corporate Governance |
| 73 | Financial Report |
| 126 | Shareholding Statistics |
| 128 | Notice of Annual General Meeting |
| | Proxy Form |

Our Business Models

Backed by a network of 1,026 talents across 18 cities, each bringing deep expertise across multiple talent verticals, we are equipped to serve clients across industries with precision and speed.

We deliver tailored talent solutions through two core offerings – Professional Recruitment and Flexible Staffing.

Professional Recruitment

- 1 Clients need talents for mid to senior level positions.
- 2 We source, interview, recommend and select qualified and suitable candidates.
- 3 We facilitate contract negotiation.
- 4 Clients hire successful candidates, and they start work.
- 5 We bill clients a percentage of the successful candidates' 1st year remuneration.

Our Brands



Cities

Singapore • Kuala Lumpur • Jakarta • Bangkok • Ho Chi Minh City • Hong Kong SAR • Taipei • Shenzhen • Guangzhou • Chengdu • Suzhou • Shanghai • Beijing • Xi'an • Seoul • Tokyo

Flexible Staffing

- 1 Clients need contractors.
- 2 We source, recommend, and hire the contractors on our payroll on a back-to-back basis.
- 3 We pay the contractors and take responsibility for their insurance and benefits as their employer.
- 4 We bill clients a service fee which is a percentage marked up on payroll and employee benefit costs incurred.

Our Brands



Cities

Singapore • Jakarta • Kuala Lumpur • Hong Kong SAR • Taipei • Kaohsiung • Hsinchu • Shanghai • Seoul

More Recurring Services

Recruitment Process Outsourcing (RPO)

- ① Workplace analysis and planning
- ② Contract negotiation
- ③ Customised recruitment process and assessment
- ④ Onboarding and offboarding
- ⑤ Recruitment marketing programmes
- ⑥ Employee liaison and management
- ⑦ Interviews, recommendations, and selection
- ⑧ Payroll services

HR Fintech



Workforce management



Job search and recruitment platform

Payroll Outsourcing



Reward life everyday.

Employer of Record (EOR)



HR Consultancy



Where We Are

We operate across 18 Asian talent markets - a footprint built over 33 years of sustained organisation-building across the region. Our presence spans:

Southeast Asia

- Singapore
- Jakarta
- Kuala Lumpur
- Bangkok
- Ho Chi Minh City

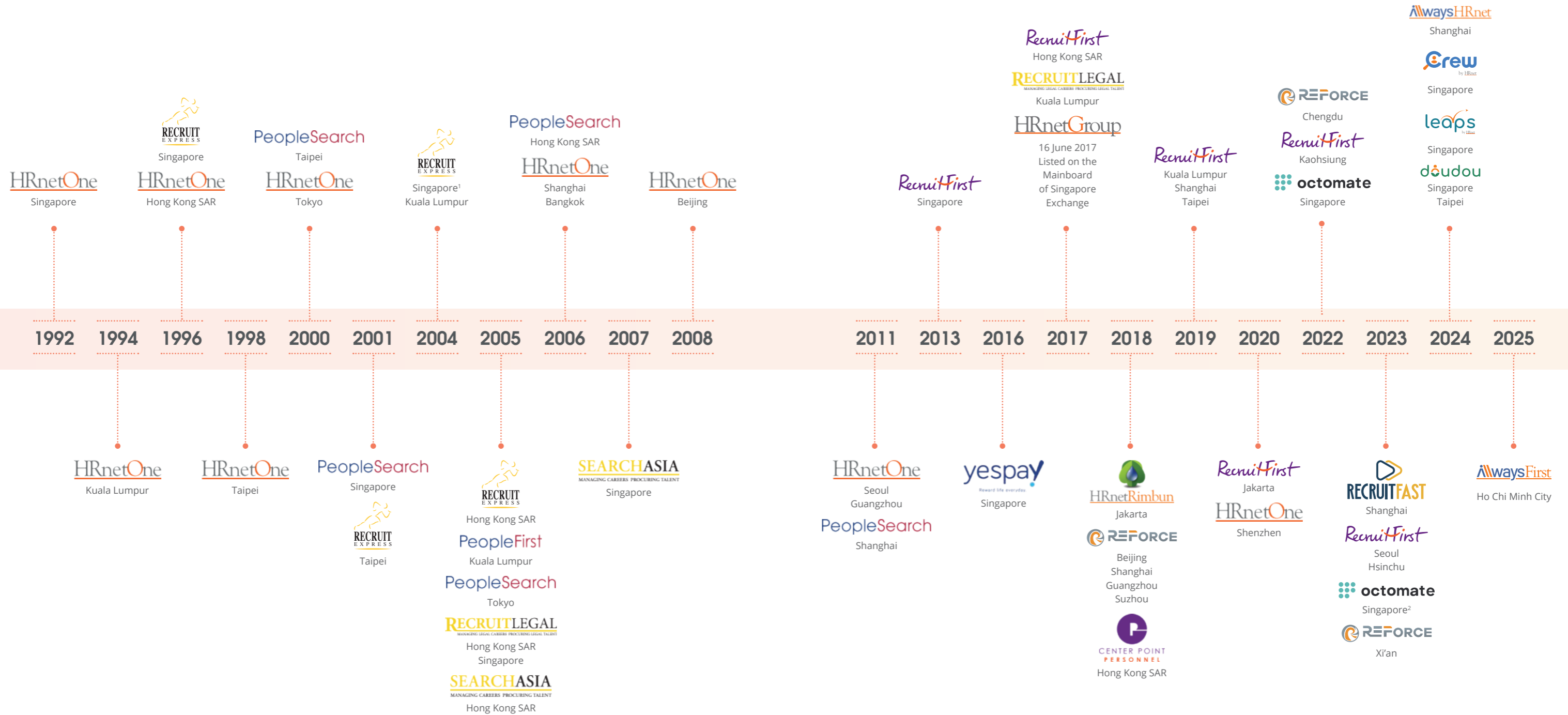
Greater China

- Hong Kong SAR
- Taipei
- Hsinchu
- Kaohsiung
- Shanghai
- Beijing
- Suzhou
- Shenzhen
- Chengdu
- Guangzhou
- Xi'an

Northeast Asia

- Tokyo
- Seoul

Our Growth Story



¹ Recruit Express Services launched in Singapore

² Octomate Staffing launched in Singapore

Board of Directors



PETER SIM

Executive Director & Founding Chairman

Peter founded the company in 1992 and brings over 40 years of expertise in social work, human resource management, and talent acquisition. His ability to identify the right talent remains one of his most defining strengths. He stays deeply connected with teams across all 18 cities, and his hands-on engagement with our people continues to set the cultural tone for the Group.

Before establishing HRnetOne, Peter held senior HR leadership roles at McDermott Southeast Asia, the Monetary Authority of Singapore, Singapore Aerospace, Thomson Consumer Electronics, and Honeywell SEA, where he served as Regional Human Resource Director. He holds a Bachelor of Arts from the University of Singapore (1976) and is an Associate of the Institute of Chartered Secretaries and Administrators, UK.



JS SIM

Executive Director & Chief Executive Officer of Recruit Express Group of Companies

JS leads the Recruit Express Group with rigour and conviction. He oversees a team of more than 200 professionals across Singapore, Taipei, Hong Kong SAR, and Kuala Lumpur, and is personally involved in the hiring of every candidate who joins the Group – a standard that reflects his unwavering commitment to quality. He also conducts sales training for his leadership team and tracks performance closely through regular engagement with his leaders.

Prior to Recruit Express, JS held HR leadership positions at Aurora Products, General Electric Intersil, and Motorola Electrics, where he served as Regional Human Resource Director. He holds a Bachelor of Science from the National University of Singapore (1982) and a Graduate Diploma in Personnel Management from the Singapore Institute of Management (1984).



ADELINE SIM

Executive Director & Chief Corporate Officer

Adeline drives the Group's strategic and operational agenda, overseeing Technology, Legal, Digital Marketing, Investor Relations, and Communications across 41 business units in 18 cities. She also leads the SEAOK business group and serves on the Investment Committee. On any given day, she is reviewing business performance, deepening client and candidate relationships, and advancing initiatives that fuel the Group's growth.

Before joining the Group in 2009, Adeline practised as an advocate and solicitor at Drew & Napier LLC, specialising in dispute resolution and capital markets.



She holds a Bachelor of Laws from the National University of Singapore (2003), is admitted to the Singapore Bar, and is a Solicitor of the Supreme Court of England and Wales.

Adeline serves as Chairman of the Lifelong Learning Institute, a Board Member of SkillsFuture Singapore, and is a member of the Singapore Business Federation Human Capital Action Committee and the Tripartite Workgroups on Human Capital Capability Building and Employment Act Review. She is also the Group's Board Sustainability Champion.



JENNIFER KANG

Executive Director & Group CFO

Jennifer joined the Group in 2003 as Regional Finance Director and has since taken on expanding responsibilities across finance, operations, and strategy. She co-founded HRnetOne Beijing in 2008, led our professional recruitment business in Malaysia, and was appointed CFO of HRnetGroup in 2012. She became Group CFO in 2022 and was appointed Executive Director in 2023.



Jennifer's career spans audit at Coopers & Lybrand, internal audit at AT&T Singapore, IPO execution for a listing on the Singapore Exchange, M&A at BIL International, and corporate planning at Abacus International. Her breadth of experience across financial control, treasury, and deal-making makes her a cornerstone of the Group's leadership. She holds a Bachelor of Accountancy from the National University of Singapore (1989) and a Master of Business in Information Technology from RMIT, Australia (1998). Jennifer is also the Group's Board Sustainability Champion.

Board of Directors



MAE HENG

Lead Independent Non-Executive Director, Chairman of Audit and Remuneration Committees and Member of Nominating Committee

Mae brings deep audit and financial expertise to the Board, shaped by 16 years at Ernst & Young Singapore and extensive experience with companies operating across the region. Her rigour and breadth of perspective make her a valued voice in Board deliberations. In addition to her role with the Group, Mae serves as an Independent Non-Executive Director

of Chuan Hup Holdings, ISDN Holdings, Progen Holdings, and Rex International Holding. She holds a Bachelor of Accountancy from Nanyang Technological University (1992) and is a Fellow Chartered Accountant with ISCA and an ASEAN Chartered Professional Accountant.



HANK SATO

Independent Director & Member of Audit Committee

Hank brings over 20 years of experience leading and scaling large listed companies in Japan. He currently serves as CFO of Open Up Group Inc, a staffing company specialised in engineers, listed on the Tokyo Stock Exchange mainboard. He was instrumental in the merger of BeNext and Yumeshin into what is now Open Up Group, a transaction that doubled the company's market capitalisation. Earlier, as CFO and Board

Member of Technopro Holdings, he led the company's IPO in 2014 and built a strong global institutional investor following, earning recognition as Best CFO in the 2019 All-Japan Executive Team Ranking by Institutional Investors Magazine. He holds a Bachelor of Economics from Keio University, Japan (1979).



PONG CHEN YIH

Independent Director, Chairman of Nominating Committee and Member of Audit and Remuneration Committees

Chen Yih is Chief Operating Officer of Novus Corporate Finance Pte. Ltd., a firm licensed by SGX-ST and the Monetary Authority of Singapore. He was previously Head of the Singapore Capital Markets Group at Baker McKenzie Wong & Leow, where he advised on capital markets transactions, compliance, investments, and

M&A. He also serves as an Independent Non-Executive Director of Rex International Holding Ltd and is a regular speaker at local and international conferences on capital raising and SGX listing requirements. He holds a Bachelor of Laws from the National University of Singapore (2001).



ALBERT ELLIS

Independent Director

Albert brings a 30-year track record in the global recruitment industry, spanning growth strategy, acquisitions, turnarounds, and equity raisings. He is currently CEO of Staffline Group Plc, the UK's leading recruitment and training group listed on the AIM of the London Stock Exchange. Prior to this, he served

as CEO and CFO of Harvey Nash Group for 15 years, overseeing its global technology recruitment and IT outsourcing operations. He began his career at Hays Plc. A qualified Chartered Accountant, Albert holds a Bachelor of Accounting in Business Finance from the University of Witwatersrand, South Africa (1991).



ESMOND CHOO

Independent Director and Member of Remuneration Committee

Esmond is a long-standing capital markets professional with a distinguished career in the securities and stockbroking industry. He served two terms as Chairman of the Stockbrokers Association of Singapore and was conferred the Distinguished Financial Industry Certified Professional (Securities and Futures Industry) in 2013 in recognition of his contributions to the stockbroking community.

Securities as the first wholly owned foreign retail brokerage in Malaysia. He served on the Board of UOB Kay Hian Holdings until his retirement in 2022 and remains a Senior Advisor to the firm.

He began his career at RHB Cathay Securities before joining UOB Kay Hian as Executive Director in 2001, where he led regional brokerage acquisitions, including the establishment of UOB Kay Hian (Malaysia)

Esmond Choo graduated with honours in Commerce from Melbourne University (Australia) in 1981 and qualified as a Chartered Accountant with the Australian Institute of Chartered Accountants in 1986.

Letter to Shareholders

DEAR SHAREHOLDERS,

Thank you for your continued trust in HRnetGroup. As we close FY2025, we want to share both our results and, more importantly, why we believe HRnetGroup is built for sustainable and impactful growth in an increasingly complex world.

The Problem We Solve

In the age of AI, companies are hiring fewer people but demanding better ones. Every hire carries more weight. Every wrong hire costs more.

This deepens the Talent Iceberg problem. Job portals surface only the visible tip of the market: candidates actively looking. But the best talent is almost never looking. They are performing well, valued by their employers, and invisible to algorithms. Reaching them requires experienced headhunters with deep industry relationships.

“The best candidates are not looking for a job. They are doing a great job.”

AI does not solve this—it makes it harder. As routine roles are automated, the remaining positions demand greater judgment, experience, and leadership. These are precisely the candidates only a skilled recruiter can find. This is the problem HRnetGroup was built to solve.

HRnet for All HR

“HRnet for All HR” reflects our evolution from a headhunting firm into a platform covering the entire employment lifespan—from hiring through workforce management, development, and cross-border expansion. By partnering with our clients in all their HR needs, we create positive impact for them, for their employees, and for the business environment as a whole.

Professional Recruitment (HRnetOne, PeopleSearch, PeopleFirst, SearchAsia, HRnetRimbun, REForce, REcruit Legal, AllwaysHRnet, AllwaysFirst) places mid-to-senior executives across technology, financial services, healthcare, and government.

Flexible Staffing (Recruit Express, RecruitFirst, RecruitFast, Octomate Staffing, Career Personnel, CREW by HRnet) provides workforce agility—scaling teams up or down for project and contract needs.

Octomate, our workforce management SaaS, lets clients manage contingent workers digitally—onboarding, rostering, timesheets, AI-powered claims, and instant payments. **doudou**, our Employer of Record brand launched in Taipei in 2025, focuses on cross-border hiring without local entities. **LEAPS by HRnet** provides HR consulting. **EASE**, our mobile job portal, caters to self-service hiring.

Together, this is an integrated ecosystem. A multinational growing in Asia can engage HRnetOne for executive search, Recruit Express for staffing, doudou for EOR, and Octomate for workforce management—all under one umbrella. No other Asian HR firm offers this breadth with this local depth.

FY2025 Results

While global peers reported sharp profit declines or losses, HRnetGroup delivered:

| | |
|-----------------------|-----------------------------|
| Revenue | S\$584.0m |
| Gross Profit | S\$122.9m |
| NPAT | S\$52.9m (+14.3%) |
| Free Cash Flow | S\$52.0m |
| Cash Moat | S\$336.3m |
| Dividend | 4.2 cts (5.6% yield) |
| Dividend Payout Ratio | 78% |

Flexible Staffing grew 3.2% and Professional Recruitment 1.6%, while operating expenses rose just 1.3%. Over 33 years, we have remained profitable through every crisis—the Asian Financial Crisis, SARS, the GFC, and COVID-19. Revenue has grown from S\$0.7 million to S\$584.0 million.

Our Approach

Achieving these results was possible because we hold ourselves accountable to all our stakeholders to create a sustainable future.

1. People: Co-Ownership

47 Business Leaders are Co-Owners of the units they run—entrepreneurs with skin in the game who share in their profits. This model drives 41 Business Units across 20 brands in 18 cities with 1,026 people. Since IPO, Co-Owners have more than doubled from 22 to 47, with more than 10 new Co-Owners admitted in 2025. We grow by creating owners, not hiring managers.

2. Opportunity: AI Makes Us More Relevant

AI is making companies hire fewer people, but for higher-value roles. Each hire is more consequential. The Talent Iceberg grows as white collar entry-level roles shrink and the remaining positions demand judgment that only human recruiters can assess and access.

Simultaneously, leaner organisations need more flexible staffing, digital workforce management via Octomate, and cross-border EOR services via doudou. AI does not shrink our market—it reshapes it in our favour.

Letter to Shareholders

3. Context: Regional Platform

We are the only HR firm with boots on the ground in 18 Asian cities, structured to incentivise 1,000+ people to collaborate regionally. In 2025, we launched AllwaysFirst Vietnam in Ho Chi Minh City, and doudou’s first branch in Taipei.

Our Cash Moat of S\$336.3 million means we will never be forced to close offices during downturns. When the cycle turns, we will be there.

We will continue to be a net positive regional force, by ensuring positive impact on our stakeholders and minimising environmental impact in all our cities.

4. The Deal: Upside & Returns

Dividends: 4.2 cents per share, 5.6% yield, 78% payout. We have never missed a dividend. 59% cumulative payout since listing. **Cash:** S\$52m FCF tracks NPAT; capital-light model converts profit to cash. **Peers:** +14.3% NPAT growth vs. declines across the industry. **Growth vectors:** Octomate (recurring SaaS), doudou (EOR), AllwaysFirst Vietnam—each deepening client relationships under the “HRnet for All HR” umbrella.

Looking Ahead

AI is raising the bar on every headcount. The best talent remains invisible to portals. Companies need a partner across the entire employment lifespan—finding, managing, developing, and retaining talent across every market they operate in.

With 20 brands, 18 Asian cities, a Co-Ownership platform, and a S\$336 million cash moat, HRnetGroup is that partner. We will continue to invest in our model, expand our capabilities, be a force for good, and return meaningful dividends to you.

Thank you for being part of the HRnetGroup journey.

Yours sincerely,

Peter Sim
Founding Chairman

Adeline Sim
Executive Director &
Chief Corporate Officer

Financial Highlights

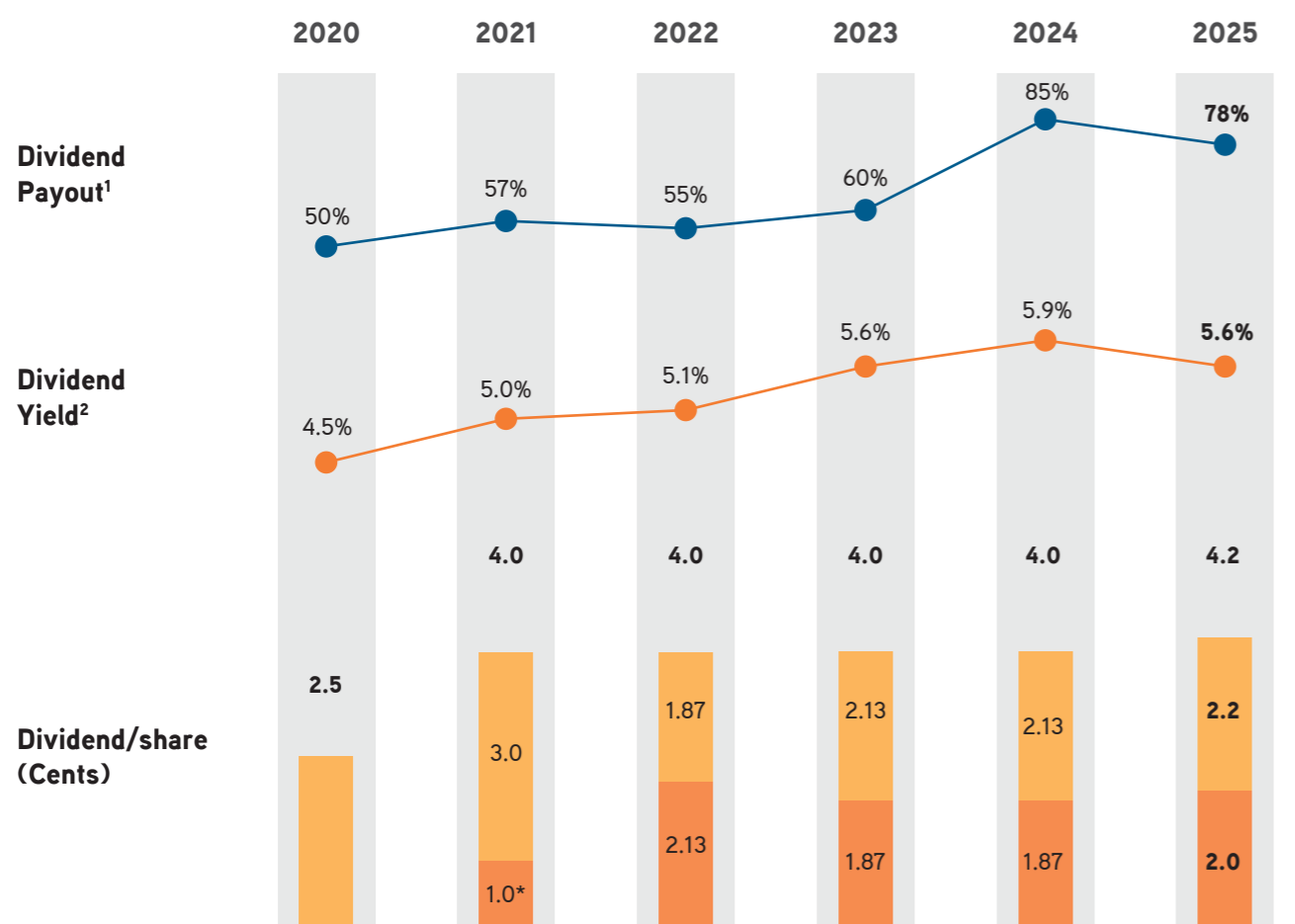
The final dividend of 2.2 cents per share, representing a 91.1% payout from 2H2025 NPAT is proposed for shareholders' approval at the upcoming AGM on 21 April 2026 and then payout to shareholders in May 2026.

Together with the interim dividend of 2.0 cents, the Group's total dividend of 4.2 cents per share carries a yield of 5.6%. Over time, the Group has progressed from paying dividends

once a year, to twice a year, and over the last 4 years, consistently paid 4.0 cents a share.

Dividends paid out to shareholders totaled S\$40.4m. Together with the S\$1.3m Share Buyback, S\$41.7m was returned to shareholders, which is a substantial 80.2% of free cash flow.

SHAREHOLDERS' RETURNS



¹ Dividend/NPAT
² Dividend/Closing Price as at last trading day of the financial period
³ Interim dividend(*Special dividend) per share (cent) Final dividend per share (cent)

Financial Highlights

KEY FINANCIALS

Revenue increased 3.0% to S\$584.0m; Gross Profit (GP) increased 0.6% to S\$122.9m and Net Profit After Tax (NPAT) rallied 14.3% to S\$52.9m as Other Income rose by S\$6.9m and cost control remained tight.

BUSINESS MIX

The Group operates two core segments: Flexible Staffing (FS) and Professional Recruitment (PR).

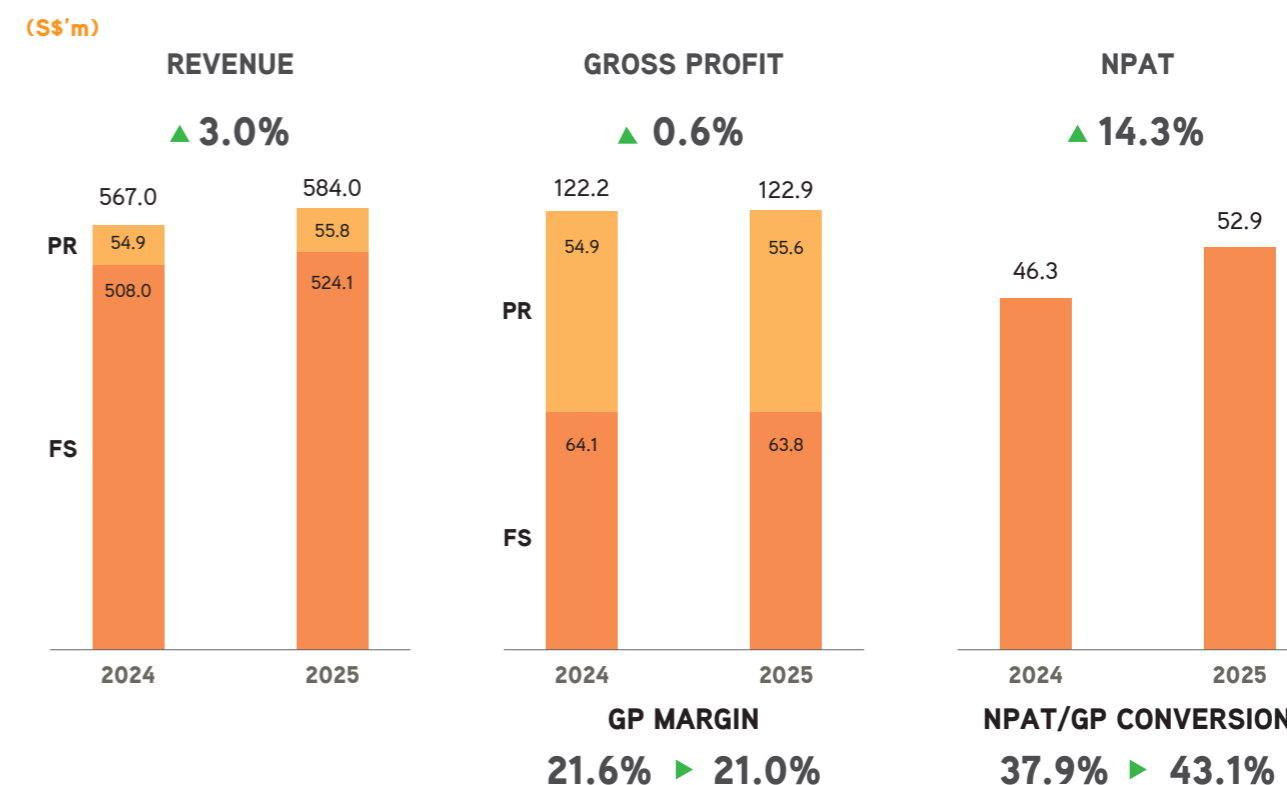
FS contributed 89.7% of Group revenue and increased 3.2% to S\$524.1m. Average monthly contractors increased 5.6% to 16,421 as increases in Taiwan, Indonesia and Mainland China offset the reduction in Singapore.

FS GP was stable at S\$63.8m, with an average GP margin of 12.2% (FY2024: 12.6%). GP/Contractor in Singapore held steady, while international markets experienced some pricing pressure.

PR contributed 9.6% of revenue and 45.2% of GP, with a GP margin of 99.6%. Revenue increased 1.6% to S\$55.8m and GP rose 1.3% to S\$55.6m. Placement volume increased 4.6% to 4,766.

Senior executive search led with 16.2% GP growth, as placements increased by 7.2% and GP/Placement improved 8.4%. Stronger activity in Taiwan, Mainland China, South Korea, Thailand and Malaysia offset softer conditions in Singapore.

The blended GP margin fell from 21.6% to 21.0% as FS continued to exceed PR in relative contribution.

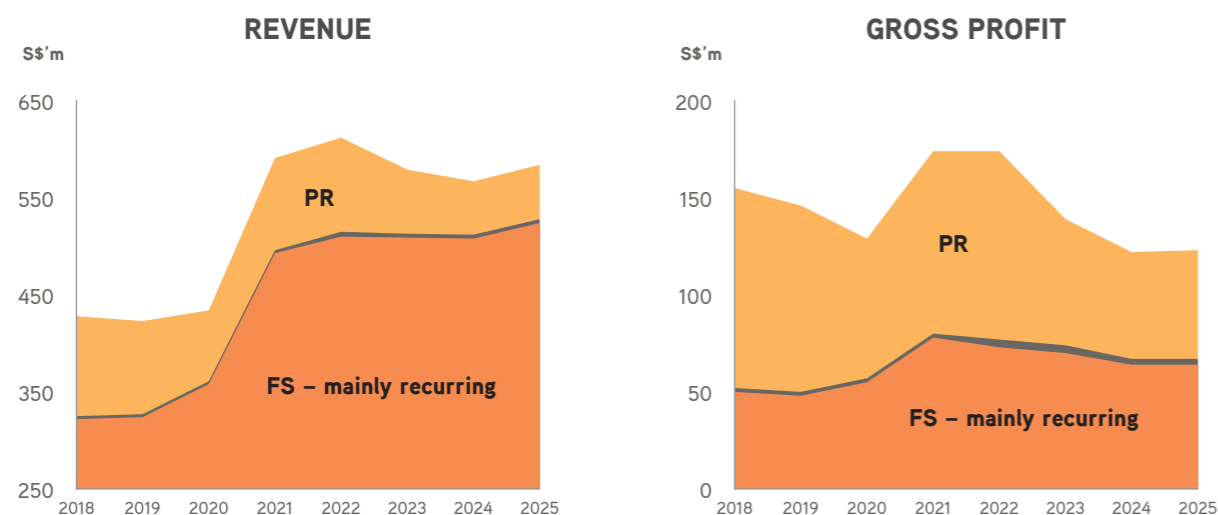


Financial Highlights

DEFENSIVE RECURRING BASE

Flexible Staffing delivers a predominantly recurring revenue and GP base that gives us operating stability, especially during uncertain market situations. While Professional Recruitment

moves with the cycle, Flexible Staffing continues to generate steady volumes and cash flow.

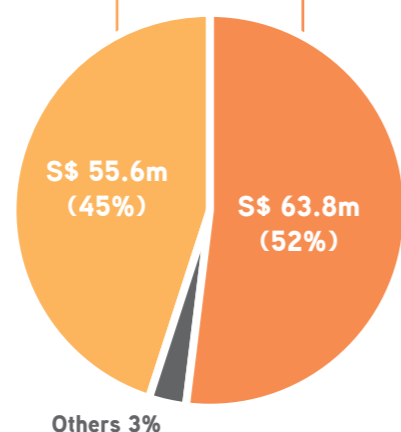


Others include Octomate, payroll outsourcing and employer of record

GROSS PROFIT DYNAMICS

PROFESSIONAL RECRUITMENT

- 4.6% Volume increase
- (3.1)% Unit GP decrease
- 1.3% Gross Profit increase



FLEXIBLE STAFFING

- 5.6% Volume increase
- (5.7)% Unit GP decrease
- (0.4)% Gross Profit decrease

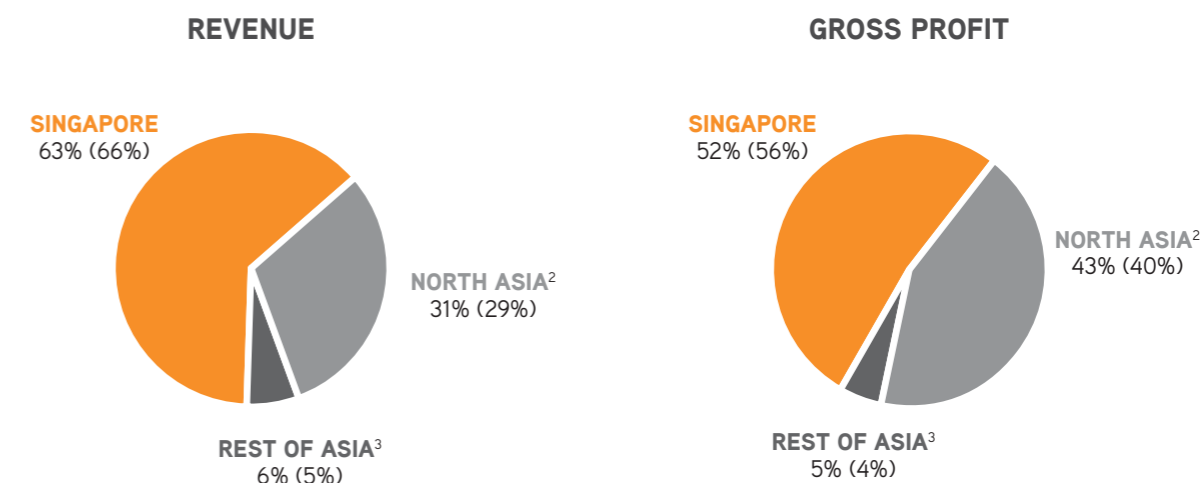
- FS Volume refers to average number of contractors 16,421 (2024: 15,548)
- PR Volume refers to number of placements 4,766 (2024: 4,558)
- FS Unit GP refers to average GP per contractor and PR Unit GP refers to average GP per placement

Financial Highlights

GEOGRAPHICAL DIVERSIFICATION

IT & Tech accounts for 24% of our business, including digital hiring, with 12% of this segment coming from AI-related roles. Financial & Insurance contributes about 21%, supported by steady demand from core financial services. Healthcare Life Sciences and Retail & Consumer each make up around 14%, giving us a well-balanced and resilient mix across key industries.

We serve government clients in Singapore, Hong Kong SAR, Taiwan and Mainland China. Public-sector revenue has been rising steadily, increasing from 14% in 2023 to 15% in 2024 and 16% in 2025. This segment carries no credit risk and provides large, stable volumes, which help support our cash flow and keep our operations steady during slower periods.



- ¹ 2024 figures in brackets
- ² North Asia : Beijing, Shanghai, Shenzhen, Guangzhou, Suzhou, Chengdu, Xi'an, Taipei, Kaohsiung, Hsinchu, Hong Kong SAR, Tokyo and Seoul
- ³ Rest of Asia : Kuala Lumpur, Jakarta, Bangkok and Ho Chi Minh City

TOP 5 CLIENTS AVERAGE 18 YEARS WITH US

| | Customer since | 2025 Revenue Contribution |
|---|----------------|---------------------------|
| 1. Client (Financial & Insurance) | 2000 | 4.8% |
| 2. Client (IT services) | 2022 | 4.5% |
| 3. Client (Financial & Banking) | 2004 | 3.1% |
| 4. Client (Retail & Consumer) | 1999 | 2.5% |
| 5. Client (Retail & Consumer / Education) | 2010 | 2.3% |
| Contribution from Top 5 clients | | 17.2% |
| Contribution from Top 10 clients | | 25.9% |

Financial Highlights

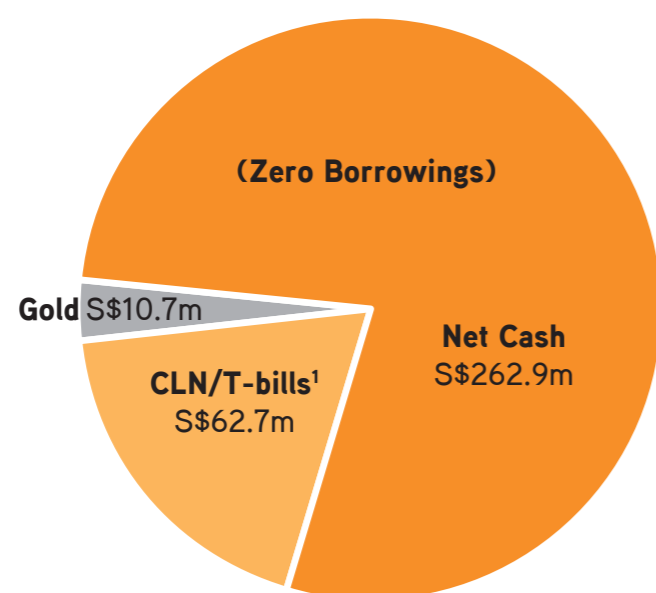
The Group has a strong and strategic cash moat of \$336.3m to stay resilient through cycles and take market share from weaker competitors, or pursue meaningful M&A when opportunities arise.

Cash and cash equivalents increased to S\$262.9m by S\$4.5m due to:

- Operating activities' net inflow of S\$56.5m;

- less: Investing activities' net outflow S\$7.5m, driven by S\$30.8m net investments in CLNs, S\$4.5m property, plant and equipment, S\$2.9m gold; partially offset by S\$21.3m net disposals of T-bills, S\$8.7m other financial assets and S\$0.7m dividends received; and

- less: Financing activities' net outflow S\$43.6m, mainly from S\$42.0m dividend payments, S\$3.3m net acquisition of subsidiaries' interests, and S\$4.9m lease repayments, partially offset by S\$7.1m from treasury share placement.



OTHER BALANCE SHEET ITEMS

Other receivables and prepayments declined S\$1.1m due to lower interest receivables.

Other assets comprised gold holdings which increased S\$5.3m from higher gold holdings and revaluation gains.

Other financial assets (current) declined S\$4.9m following the disposal of marketable securities, partially offset by revaluation gains.

Property, plant and equipment increased S\$2.8m following the capitalisation of the Jakarta office property which was accounted for as advanced deposits last year.

Financial assets measured at FVTOCI increased S\$6.5m due to fair value gains in Staffline and Bamboos.








Sustainability Report 2025

Table of Contents

| | |
|----|--|
| 18 | SUSTAINABILITY STATEMENT AND HIGHLIGHTS |
| 20 | GENERAL DISCLOSURES |
| 25 | MATERIAL TOPICS |
| 25 | - Management of Material Topics |
| 26 | - Empowering Our People |
| 29 | - Strengthening Business Governance |
| 30 | - Ensuring Cybersecurity and Data Protection |
| 31 | - Making Business Impact |
| 33 | - Doing Our Part for the Environment |
| 37 | IFRS INDEX |
| 38 | GRI CONTENT INDEX |

¹ Credit Linked Notes (CLN) : DBS issued notes with Monetary Authority of Singapore (MAS) bill as credit underlying T-Bills : Short-term Singapore Government Securities (SGS) issued by MAS

| Sustainability Statement and Highlights | |
|---|--|
| GRI 2-22 | <p>Sustainability Statement and Highlights</p> <p>Through our business, we want to make a positive impact on the world around us.</p> <p>The HRnetGroup business model has limited direct impact on the environment. In addition, we develop and implement ethical business practices to secure a sustainable future for ourselves and for the societies we serve. In doing so, we create value for our shareholders and stakeholders, including our employees, our business partners, and the communities in which we operate. Our Commitment Statement can be found on our website at: https://www.hrnetgroup.com/commitment.php.</p> <p>We continue to have a deep commitment to our sustainability journey. Our key milestones on the journey have been:</p> <ul style="list-style-type: none"> • 2018: First stakeholder and sustainability reports, using GRI as a reference • 2021: First major consultation of stakeholders on sustainability and material topics • 2022: First sustainability report to include requirements by the Taskforce on Financial-Related Climate Disclosures • 2024: First sustainability report to include the International Financial Reporting Standards requirements |
| GRI 2-23 | <p>Policy Commitments</p> <p>Our annual sustainability report adheres to the following regulations, policies, and guidelines:</p> <ul style="list-style-type: none"> • Singapore Exchange Securities Trading Limited SGX-ST Listing Rule 711A and 711B; • The report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards 2021. The GRI content index is provided at the end of this report; <ul style="list-style-type: none"> • United Nations Sustainable Development Goals (which are broadly in line with the United Nations Global Compact); as well as • The report has been prepared with reference to the International Financial Reporting Standards (IFRS) S1 and S2 and the recommended “SGX common core ESG” metrics, where possible. <p>Alignment with the different standards and frameworks can be found in the text margin for easy reference.</p> |

| GRI 2-23 | Awards and Recognition |
|----------|--|
| |  <p>2025 Best Managed Companies Gold Award for 4th Consecutive Win By Deloitte Private <i>HRnetGroup Limited</i></p>  <p>Tripartite Alliance Award 2025 for Fair and Progressive Employment Practices <i>RecruitFirst Singapore</i></p>  <p>Grade A Accreditation by the Taipei City Government <i>HRnetOne, PeopleSearch, RecruitFirst, Recruit Express</i></p>  <p>2025 Platinum Award for Recruitment by Huawei <i>PeopleSearch Japan</i></p>  <p>2025 Top 100 Human Resource Organisation by HRflag <i>HRnetGroup Limited</i></p>  <p>2025 Top 100 Human Resource Organisation by HRoot <i>HRnetGroup Limited</i></p>  <p>Shanghai Talent Scout Award by Shanghai Municipal Human Resources and Social Security Bureau <i>HRnetOne Shanghai</i></p> |

| General Disclosures | | |
|---|--|--|
| About HRnetGroup and Sustainability Reporting | | |
| GRI 2-1 | <p>Organisational Details</p> <p>HRnetGroup Limited (the "Company") (Registration No.201625854G) is incorporated in Singapore with its principal place of business and registered office at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873.</p> <p>The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited</p> | <p>("SGX-ST").</p> <p>The Company has operations in 18 cities, listed at the beginning of the Annual Report. We commenced business operations in the 18th city, Ho Chi Minh City, in September 2025. As such, this report covers 17 cities, and we will begin reporting on Ho Chi Minh City in subsequent reports.</p> |
| GRI 2-2 | <p>Entities Included</p> <p>This report includes sustainability activities of the same group of entities as covered in our financial report, unless specified. These entities are controlled by the Company and its subsidiaries. The criteria for control is the same as that used for financial reporting.</p> | <p>This report does not report on minority interests. The basis of consolidation for this report is in line with that declared in Note 2 to the financial statements.</p> |
| GRI 2-3 | <p>Report Timelines</p> <p>This annual sustainability report covers the financial year 1 January 2025 to 31 December 2025, which is the same period covered by</p> | <p>the financial report. Both the financial and sustainability reports are part of the Annual Report 2025 published on 6 April 2026.</p> |
| GRI 2-4 | <p>Restatements</p> <p>There are no major restatements of information made in previous reports.</p> | |
| GRI 2-5 GRI 2-14 | <p>External Assurance</p> <p>HRnetGroup's Sustainability Report 2025 has been approved by the Board of Directors.</p> <p>Our sustainability information in this report has undergone an internal review in compliance with relevant policies. The review process included oversight by the Sustainability Steering Committee and the Sustainability Champions from the Board. The Board is of the view that the internal processes have ensured the integrity</p> | <p>and credibility of the Company's sustainability reporting.</p> <p>The Board approved the policy of appointing a third party to validate our sustainability reporting internally with effect from 2023. Their evaluation of our 2024 Sustainability Report was released on 11 December 2025. The third party evaluated our sustainability reporting process as "satisfactory."</p> |



| Business Activities and Workers | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|---|-------------------------------|------------------------|-------------------------------|------------------------|------|-----|----|--------|--------|-----|-----|--------|--------------|------------|------------|---------------|-----------|---------------------|-------------------------------|------------------------|---------------|-----|-----|--------|-----------|-----|----|--------|--------------|-----|----|--------|--------------|------------|------------|---------------|
| GRI 2-6 | <p>Activities and Value Chain</p> <p>The principal activity of the Company is that of investment holding (SSIC 64202), and its subsidiaries are leading players in the personnel services industry. The principal activities of the significant subsidiaries are disclosed in Note 14 to the financial statements.</p> <p>The Company's business models, including their downstream activities, are disclosed in the front of the Annual Report. Further details of the customers can also be found in the stakeholder disclosures in the later sections of this sustainability report.</p> <p>Many supplier categories are very small. The most material elements of the Company's supply chain are:</p> <ol style="list-style-type: none"> 1. Office Landlords 2. Job Posting Platforms 3. Insurers 4. Professional Services Firms <p>Details about the building owners and managers can be found in the environmental impact section of this report. We work with approximately 3 main job portals and 5 insurers. Our business relationships with these are coordinated by the supplier's account managers and we take a long-term view of our relationship and partnership.</p> <p>There were no significant changes to the above in 2025.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 2-7 | <p>Employees and Non-Employee Workers</p> <p>There were 806 permanent employees in 2025. The breakdown is as follows:</p> <table border="1"> <thead> <tr> <th>By gender</th> <th>Permanent employees</th> <th>Internal contractor employees</th> <th>Outsourced contractors</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>223</td> <td>52</td> <td>16,607</td> </tr> <tr> <td>Female</td> <td>583</td> <td>168</td> <td>29,523</td> </tr> <tr> <td>Total</td> <td>806</td> <td>220</td> <td>46,130</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>By region</th> <th>Permanent employees</th> <th>Internal contractor employees</th> <th>Outsourced contractors</th> </tr> </thead> <tbody> <tr> <td>Greater China</td> <td>385</td> <td>108</td> <td>15,838</td> </tr> <tr> <td>Singapore</td> <td>243</td> <td>47</td> <td>19,952</td> </tr> <tr> <td>Rest of Asia</td> <td>178</td> <td>65</td> <td>10,340</td> </tr> <tr> <td>Total</td> <td>806</td> <td>220</td> <td>46,130</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Permanent employees are HRnetGroup's employees under a full-time permanent contract. • Internal contractor employees are under a fixed term or temporary contract, some of which are part-time, including interns. • Outsourced contractors under the Flexible Staffing business are under HRnetGroup's payroll but worked for HRnetGroup's clients in 2025. <p>Our permanent and internal contractor employee data are reported by headcount, as at the end of the reporting period, i.e. 31 December 2025.</p> <p>Outsourced contractors are unique headcount through 2025.</p> | By gender | Permanent employees | Internal contractor employees | Outsourced contractors | Male | 223 | 52 | 16,607 | Female | 583 | 168 | 29,523 | Total | 806 | 220 | 46,130 | By region | Permanent employees | Internal contractor employees | Outsourced contractors | Greater China | 385 | 108 | 15,838 | Singapore | 243 | 47 | 19,952 | Rest of Asia | 178 | 65 | 10,340 | Total | 806 | 220 | 46,130 |
| By gender | Permanent employees | Internal contractor employees | Outsourced contractors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 223 | 52 | 16,607 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Female | 583 | 168 | 29,523 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 806 | 220 | 46,130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| By region | Permanent employees | Internal contractor employees | Outsourced contractors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Greater China | 385 | 108 | 15,838 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Singapore | 243 | 47 | 19,952 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rest of Asia | 178 | 65 | 10,340 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 806 | 220 | 46,130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 2-30 | None of our employees are covered by collective bargaining agreements. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 2-8 | There were 27 non-employee workers whose work or workplace was controlled by HRnetGroup in 2025. These were workers hired in contracts for service, i.e., part-timers, university ambassadors, and interns. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |


| Governance | | | | | | | | | | | | | | | | | | |
|--|--|--|---|--|--|--|--|--|---|---|--|--|--|--|--|---|---|--|
| GRI 2-9 GRI 2-10 GRI 2-11 | <p>About the Board of Directors</p> <p>The highest governing body of the Company is the Board of Directors. Details are reported in the Corporate Governance Report:</p> <ul style="list-style-type: none"> • Governance structure and committees – Provisions 1.1 to 1.4 • Composition – Provision 2 • Chairperson – Provision 3 • Nomination and selection processes – Provision 4 | | | | | | | | | | | | | | | | | |
| GRI 2-15 | <p>All Board members submit a declaration of conflicts of interest annually. Their membership in other boards is declared in Provision 1.5 of the Corporate Governance Report.</p> <p>The Board has declared that there are no cross-shareholdings with suppliers and other major stakeholders.</p> <p>The controlling shareholder is SIMCO Global Limited which is controlled by the SIM Family, and their conflicts of interest is addressed by way of Interested Party Transaction approval at audit committee meeting and disclosed in the Corporate Governance report.</p> | | | | | | | | | | | | | | | | | |
| GRI 2-12 GRI 2-13 GRI 2-14 IFRS S1 (G) | <p>The Board's Role in Sustainability</p> <p>Our Board upholds HRnetGroup's mission to build a more sustainable working environment by connecting the right people to the right roles while operating responsibly. The Board oversees the development of HRnetGroup's sustainability framework, strategies, policies, targets, as well as management of ESG risks amongst other sustainability-related issues.</p> <p>Two directors with closer oversight of day-to-day management have been appointed sustainability champions - Executive Directors Adeline Sim (Chief Corporate Officer) and Jennifer Kang (Group CFO). They are also concurrently members of our senior management team, forming the Sustainability Steering Committee (SSC). The SSC works with the Management to engage with stakeholders, listening to their feedback and consulting their views on various management issues, including sustainability. The SSC reports to the Board annually and as needed.</p> <p>Our Sustainability Task Force (STF), comprised of our senior leaders, supports and reports to SSC regularly and as needed to implement and execute measurable sustainability plans and initiatives across our business operations.</p> <div style="text-align: center;"> <p>BOARD OF DIRECTORS</p> <table border="0"> <tr> <td>PETER SIM Executive Director and Founding Chairman</td> <td>JS SIM Executive Director and Chief Executive Officer of Recruit Express Group of Companies</td> <td>ADELINE SIM Executive Director and Chief Corporate Officer</td> <td>JENNIFER KANG Executive Director and Group CFO</td> <td>HENG SU-LING MAE Lead Independent Non-Executive Director, Chairman of Audit and Remuneration Committees and Member of Nominating Committee</td> <td>HANK SATO Independent Director and Member of Audit Committee</td> <td>PONG CHEN YIH Independent Director, Chairman of Nominating Committee and Member of Audit and Remuneration Committees</td> <td>ALBERT ELLIS Independent Director</td> <td>ESMOND CHOO Independent Director and Member of Remuneration Committee</td> </tr> </table> <table border="0"> <tr> <td colspan="2">SUSTAINABILITY STEERING COMMITTEE (SSC)</td> <td colspan="2">SUSTAINABILITY TASK FORCE (STF)</td> </tr> <tr> <td>DAISY TAN Chief People Officer (CPO)</td> <td>JACQUELINE NG Director - People, Performance & Staffing Recruit Express Group</td> <td>FADZLIN RASHID Senior Communications Leader</td> <td>BELINDA ONG Compensation & Benefits Lead</td> </tr> </table> </div> | PETER SIM Executive Director and Founding Chairman | JS SIM Executive Director and Chief Executive Officer of Recruit Express Group of Companies | ADELINE SIM Executive Director and Chief Corporate Officer | JENNIFER KANG Executive Director and Group CFO | HENG SU-LING MAE Lead Independent Non-Executive Director, Chairman of Audit and Remuneration Committees and Member of Nominating Committee | HANK SATO Independent Director and Member of Audit Committee | PONG CHEN YIH Independent Director, Chairman of Nominating Committee and Member of Audit and Remuneration Committees | ALBERT ELLIS Independent Director | ESMOND CHOO Independent Director and Member of Remuneration Committee | SUSTAINABILITY STEERING COMMITTEE (SSC) | | SUSTAINABILITY TASK FORCE (STF) | | DAISY TAN Chief People Officer (CPO) | JACQUELINE NG Director - People, Performance & Staffing Recruit Express Group | FADZLIN RASHID Senior Communications Leader | BELINDA ONG Compensation & Benefits Lead |
| PETER SIM Executive Director and Founding Chairman | JS SIM Executive Director and Chief Executive Officer of Recruit Express Group of Companies | ADELINE SIM Executive Director and Chief Corporate Officer | JENNIFER KANG Executive Director and Group CFO | HENG SU-LING MAE Lead Independent Non-Executive Director, Chairman of Audit and Remuneration Committees and Member of Nominating Committee | HANK SATO Independent Director and Member of Audit Committee | PONG CHEN YIH Independent Director, Chairman of Nominating Committee and Member of Audit and Remuneration Committees | ALBERT ELLIS Independent Director | ESMOND CHOO Independent Director and Member of Remuneration Committee | | | | | | | | | | |
| SUSTAINABILITY STEERING COMMITTEE (SSC) | | SUSTAINABILITY TASK FORCE (STF) | | | | | | | | | | | | | | | | |
| DAISY TAN Chief People Officer (CPO) | JACQUELINE NG Director - People, Performance & Staffing Recruit Express Group | FADZLIN RASHID Senior Communications Leader | BELINDA ONG Compensation & Benefits Lead | | | | | | | | | | | | | | | |
| GRI 2-17 | <p>The Board continues to enhance HRnetGroup's sustainability agenda by attending training to develop our collective knowledge on sustainability, specifically:</p> <ul style="list-style-type: none"> • Sustainability Reporting – Applying the IFRS Sustainability Disclosure Standards (ISSB Standards) by ISCA • Climate and Nature in the Boardroom by The Climate Government Initiative • Understanding Carbon Credits in the Singapore Market by Allen & Gledhill Joint (Seminar) • Trust by Design – Building Ethical AI into the Future of Staffing by Staffing Industry Analysts • Strengthening Corporate Governance through Effective Whistleblowing Programmes by Allen & Gledhill • Security Awareness, Social Engineering Red Flags, Your Role: Internet Security and You by KNOWBE4 Online Training | | | | | | | | | | | | | | | | | |

| GRI 2-18 | The Board Committee performance evaluation form contains the question. "To what extent does the Board review with Management the material environmental, social and governance (ESG) factors that could have a significant impact on the Company or its business, and the policies and practices to manage and monitor the material ESG factors." | This is part of the annual Board evaluation, and the results are submitted to the Board's Nominating Committee. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|---|---|---|---|--|------------------|------------------|----------------|---------------------------------|-----|---|---|--|---------------------|--|---------------------------------|------------------------|------------------------|------------------------|-----------|------------------------------------|-----|------------------------------|------------------------------|-------------------------|-------------------|--------------------|------------|-------|-------|-------|--------------------|------------|-------|-------|-------|--------------------------|--|--|--|--|--|--------------------------|------------------|-------|-------|-------|
| GRI 2-19 GRI 2-20 | Compensation | The approach considers multiple factors such as financial performance, industry benchmarks, the individual contributions of directors, as well as ESG considerations. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SGX (G) GRI 2-9 GRI 405-1a | <p>SGX Common Core Governance Metrics</p> <p>The relevant SGX Common Core Governance Metrics are as follows:</p> <table border="1"> <thead> <tr> <th>Topic</th> <th>SGX Common Core Metric</th> <th>Target</th> <th>2023 performance</th> <th>2024 performance</th> <th>2025 performance</th> </tr> </thead> <tbody> <tr> <td>Certifications</td> <td>List of relevant certifications</td> <td>N/A</td> <td>Grade A Accreditation by the Taipei City Government</td> <td>RecruitExpress - Grade A Accreditation by the Taipei City Government RecruitFirst - Grade B Accreditation by the Taipei City Government HRnetOne and PeopleSearch were exempted due to the Grade A certification attained in 2023</td> <td>All Taiwan business units received Grade A Accreditation by the Taipei City Government</td> </tr> <tr> <td>Framework Alignment</td> <td>Alignment with frameworks and disclosure practices</td> <td>GRI and SGX requirements</td> <td>GRI TCFD UN SDGs</td> <td>GRI TCFD UN SDGs</td> <td>GRI IFRS UN SDGs</td> </tr> <tr> <td>Assurance</td> <td>Assurance of sustainability report</td> <td>N/A</td> <td>Internal, by Ernst and Young</td> <td>Internal, by Ernst and Young</td> <td>Internal, by BakerTilly</td> </tr> <tr> <td rowspan="3">Board Composition</td> <td>Board independence</td> <td>50%</td> <td>55.6%</td> <td>55.6%</td> <td>55.6%</td> </tr> <tr> <td>Women on the Board</td> <td>25%</td> <td>33.3%</td> <td>33.3%</td> <td>33.3%</td> </tr> <tr> <td>Additional metric</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Directors ≤ 50 years-old</td> <td>No target</td> <td>33.3%</td> <td>33.3%</td> <td>22.2%</td> </tr> </tbody> </table> | Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance | Certifications | List of relevant certifications | N/A | Grade A Accreditation by the Taipei City Government | RecruitExpress - Grade A Accreditation by the Taipei City Government RecruitFirst - Grade B Accreditation by the Taipei City Government HRnetOne and PeopleSearch were exempted due to the Grade A certification attained in 2023 | All Taiwan business units received Grade A Accreditation by the Taipei City Government | Framework Alignment | Alignment with frameworks and disclosure practices | GRI and SGX requirements | GRI TCFD UN SDGs | GRI TCFD UN SDGs | GRI IFRS UN SDGs | Assurance | Assurance of sustainability report | N/A | Internal, by Ernst and Young | Internal, by Ernst and Young | Internal, by BakerTilly | Board Composition | Board independence | 50% | 55.6% | 55.6% | 55.6% | Women on the Board | 25% | 33.3% | 33.3% | 33.3% | Additional metric | | | | | | Directors ≤ 50 years-old | No target | 33.3% | 33.3% | 22.2% |
| Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Certifications | List of relevant certifications | N/A | Grade A Accreditation by the Taipei City Government | RecruitExpress - Grade A Accreditation by the Taipei City Government RecruitFirst - Grade B Accreditation by the Taipei City Government HRnetOne and PeopleSearch were exempted due to the Grade A certification attained in 2023 | All Taiwan business units received Grade A Accreditation by the Taipei City Government | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Framework Alignment | Alignment with frameworks and disclosure practices | GRI and SGX requirements | GRI TCFD UN SDGs | GRI TCFD UN SDGs | GRI IFRS UN SDGs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assurance | Assurance of sustainability report | N/A | Internal, by Ernst and Young | Internal, by Ernst and Young | Internal, by BakerTilly | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Board Composition | Board independence | 50% | 55.6% | 55.6% | 55.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Women on the Board | 25% | 33.3% | 33.3% | 33.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Additional metric | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Directors ≤ 50 years-old | No target | 33.3% | 33.3% | 22.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |


| Sustainable Development Strategy Policies and Practices | | |
|--|--|--|
| GRI 2-16 | Mitigating Negative Impacts The Board oversees matters of critical concern via three channels: the Company's risk management framework, grievance mechanism, and its whistleblowing policy. There were 0 critical concerns raised via the risk management framework and whistleblowing channels in 2025. | Details of the risk management framework are overseen by the Board's Audit Committee, as disclosed in Provision 9 of the Corporate Governance Report. |
| GRI 2-25 GRI 2-26 | HRnetGroup has put in place a grievance channel for all employees and a whistleblowing channel for external parties to voice their concerns regarding incidents of non-compliance and misconduct. | |
| IFRS S1 (G) | We make sure our grievance mechanism has proper safeguards against any adverse actions on employees who raise their concerns. | The Company's grievance and whistleblowing policies are overseen by the Board's Audit Committee, as disclosed in Provision 10 of the Corporate Governance Report. |
| GRI 2-28 | Membership Associations The Company does not hold governance positions in any membership association. | |
| Stakeholder Engagement | | |
| GRI 2-29 | Approach to Stakeholder Engagement We maintain regular dialogue and engagement with the investment community to provide relevant information on the Group's corporate strategy, operational performance, and business. Our twice-yearly results announcements are attended by shareholders and analysts. | Our Investor Relations Policy guides HRnetGroup's engagement with the investment community, including our shareholders, potential investors, and equity analysts. These policies are available at our corporate website at https://hrnetgroup.listedcompany.com/ . |


| Material Topics | | | | | | | | | | |
|--|---|--|--|--|--|--|--|--|--|--|
| GRI 3-1 | Management of Material Topics This year, HRnetGroup prioritised our material topics with guidance from SASB's Materiality Finder. We believe the same topics identified in the previous year are material to our business. | Stakeholder consultation on material topics is disclosed in the stakeholder engagement tables in GRI 2-29 above. | | | | | | | | |
| GRI 3-2 | The resulting list of material topics has been presented according to our sustainability framework in the table below. Among our material topics, four highlighted by SASB are marked in | bold in the diagram below. Our focus on these material topics allows us to contribute to the United Nations Sustainable Development Goals 4, 5, 8, 10, 13 and 16. | | | | | | | | |
| IFRS S1 (M) | IMPACT ASSESSMENT OF MATERIAL TOPICS <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; vertical-align: top;"> Empowering our people <ul style="list-style-type: none"> + + Retaining, developing, and engaging our talent + + Embracing diversity and equal opportunity </td> <td style="width: 25%; vertical-align: top;"> Strengthening business governance <ul style="list-style-type: none"> - + Upholding business integrity - + Ensuring regulatory compliance - - Ensuring cybersecurity and data protection </td> <td style="width: 25%; vertical-align: top;"> Making business impact <ul style="list-style-type: none"> + + Growing our business + + Building capacity in local communities </td> <td style="width: 25%; vertical-align: top;"> Doing our part for the environment <ul style="list-style-type: none"> - Lowering energy consumption - Lowering water usage - Lowering waste </td> </tr> <tr> <td colspan="4"> Legend: + Positive impact - Potentially negative impact if not done Impact: ● People (Internal) ● People (External) ● Economy ● Environment </td> </tr> </table> | | Empowering our people <ul style="list-style-type: none"> + + Retaining, developing, and engaging our talent + + Embracing diversity and equal opportunity | Strengthening business governance <ul style="list-style-type: none"> - + Upholding business integrity - + Ensuring regulatory compliance - - Ensuring cybersecurity and data protection | Making business impact <ul style="list-style-type: none"> + + Growing our business + + Building capacity in local communities | Doing our part for the environment <ul style="list-style-type: none"> - Lowering energy consumption - Lowering water usage - Lowering waste | Legend: + Positive impact - Potentially negative impact if not done Impact: ● People (Internal) ● People (External) ● Economy ● Environment | | | |
| Empowering our people <ul style="list-style-type: none"> + + Retaining, developing, and engaging our talent + + Embracing diversity and equal opportunity | Strengthening business governance <ul style="list-style-type: none"> - + Upholding business integrity - + Ensuring regulatory compliance - - Ensuring cybersecurity and data protection | Making business impact <ul style="list-style-type: none"> + + Growing our business + + Building capacity in local communities | Doing our part for the environment <ul style="list-style-type: none"> - Lowering energy consumption - Lowering water usage - Lowering waste | | | | | | | |
| Legend: + Positive impact - Potentially negative impact if not done Impact: ● People (Internal) ● People (External) ● Economy ● Environment | | | | | | | | | | |
| | For each material topic, we have progressively developed metrics for measuring our sustainability efforts, in line with the GRI standards, the relevance of the metric to our industry based on sector benchmarks, as well as aligning with SGX requirements and recommended roll-out timelines. | We issued our first sustainability report in 2018 (reporting on financial year 2017), and have added new qualitative and quantitative targets each year. We continue to keep our short- and long-term targets the same. Our definition of short- and long-term timeframes are as per the section on "Doing Our Part for the Environment" under "Strategy". | | | | | | | | |



| | |
|------------------------------|--|
| Empowering Our People | |
| |   <p>Retaining Developing and Engaging Our Talent</p> |
| GRI 3-3 | <p>IMPACT AND OUR COMMITMENT As a professional recruitment firm, we are in the business of people. Human capital is the most essential asset and core competency to our business. Our strong performance in this material topic has a positive impact on our people.</p> <p>OUR ACTIONS – TALENT RETENTION We view our people as an important resource and strive to create a conducive environment for our employees’ personal and professional goals.</p> <p>We start the employees’ journey through an on-boarding programme when they first join. This is followed up with check-in sessions conducted by our business leaders a month after joining, to better integrate our new hires into our business operations.</p> <p>We also strive to ensure our employees feel valued through our regular engagements with them through various channels. Two of the ways we engage our employees include:</p> <ul style="list-style-type: none"> • Critical Success Activities (CSA): CSA events are our quarterly company-wide employee engagement events that deal with topical business trends, to support our employees in their efforts to provide clients with impactful and relevant services. <p>• Group Action Meet Energise (GAME): GAME is a monthly hour-long call that brings together leaders from our various business units across all our cities. The call promotes transparency by reviewing financial performance metrics across the business units and sharing market trends and insights, new initiatives and business developments.</p> <p>HRnetGroup also believes in protecting the physical and mental well-being of our employees, which are important not only for our employees’ career fulfilment, but also to improve the quality of services we are able to provide to our clients. Three ways we take care of our employees are:</p> <p>Physical safety: We are proactive in our safety management and set a zero-incident target for occupational health and safety.</p> <ul style="list-style-type: none"> • Physical wellbeing: We are transforming our workspace into multi-brand co-working hubs to foster closer collaboration and synergy among our consultants. • Medical benefits: All full-time employees are provided with life and hospitalisation insurance coverage, as well as medical and dental reimbursements. We also engaged vendors to conduct onsite medical screenings for employees in Singapore, China, and Taiwan. |
| GRI 404-2 | <p>OUR ACTIONS – TALENT DEVELOPMENT At HRnetGroup, we are committed to providing our employees with continuous learning opportunities that enhance their competencies and align them with our corporate culture. Our talent development approach integrates on-the-job learning, targeted training sessions, and regular thematic workshops designed to equip our employees with the skills needed to excel in their roles.</p> <p>Our 2025 training year continued to focus on:</p> <ul style="list-style-type: none"> • Generative AI for Talent Acquisition • Harrison Assessment Analysis: Teamwork, Jobfit & Hiring • Cyber security eg. Phishing test • Leadership workshops for advanced leadership training • Sales and business development <p>These initiatives keep our employees abreast on the latest industry-relevant knowledge and equip them with practical skills, reinforcing</p> <p>HRnetGroup’s commitment to developing talent and driving professional excellence across all levels of the organisation.</p> <p>We ensure all employees have a clear understanding of their career progression through detailed role criteria, promotion timelines, and twice-yearly performance management reviews (PMR). All permanent employees receive regular performance and career development reviews, with senior management conducting semi-annual Talent Bank reviews to identify high-potential employees for lateral transfers and promotions across brands, geographies, and functions.</p> <p>As part of our retention programme, we recognise the contributions of those who have dedicated milestones up to 30 years of service with our Long Service Awards. For leaders, our Co-Ownership scheme enables high-performing leaders who share our values to invest in the subsidiaries they operate and lead, fostering a strong sense of pride and ownership.</p> |




| GRI 404-2 | <p>TRACKING OUR PROGRESS The relevant SGX Common Core Governance Metrics are as follows:</p> <table border="1"> <thead> <tr> <th>Topic</th> <th>SGX Common Core Metric</th> <th>Target</th> <th>2023 performance</th> <th>2024 performance</th> <th>2025 performance</th> </tr> </thead> <tbody> <tr> <td>Employment</td> <td>Total # of permanent employees</td> <td>N/A</td> <td>804</td> <td>793</td> <td>806</td> </tr> <tr> <td rowspan="4">Occupational Safety & Health</td> <td>Fatalities</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>High-consequence injuries</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Recordable injuries</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Recordable work-related ill health cases</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td rowspan="3">Development & Training</td> <td>Average training hours per employee</td> <td>20</td> <td>46</td> <td>43</td> <td>28</td> </tr> <tr> <td>Average training hours per employee by gender</td> <td>20</td> <td>M: 46 F: 46</td> <td>M: 43 F: 43</td> <td>M: 28 F: 28</td> </tr> <tr> <td>Additional Metric</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Percentage of employees who received a regular performance review</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> | Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance | Employment | Total # of permanent employees | N/A | 804 | 793 | 806 | Occupational Safety & Health | Fatalities | 0 | 0 | 0 | 0 | High-consequence injuries | 0 | 0 | 0 | 0 | Recordable injuries | 0 | 0 | 0 | 0 | Recordable work-related ill health cases | 0 | 0 | 0 | 0 | Development & Training | Average training hours per employee | 20 | 46 | 43 | 28 | Average training hours per employee by gender | 20 | M: 46 F: 46 | M: 43 F: 43 | M: 28 F: 28 | Additional Metric | | | | | | Percentage of employees who received a regular performance review | 100% | 100% | 100% | 100% |
|------------------------------|--|--------|------------------------|------------------|------------------|------------------|------------------|------------|--------------------------------|-----|-----|-----|-----|------------------------------|------------|---|---|---|---|---------------------------|---|---|---|---|---------------------|---|---|---|---|--|---|---|---|---|------------------------|-------------------------------------|----|----|----|----|---|----|----------------|----------------|----------------|--------------------------|--|--|--|--|--|---|------|------|------|------|
| Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employment | Total # of permanent employees | N/A | 804 | 793 | 806 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Occupational Safety & Health | Fatalities | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | High-consequence injuries | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Recordable injuries | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Recordable work-related ill health cases | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Development & Training | Average training hours per employee | 20 | 46 | 43 | 28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Average training hours per employee by gender | 20 | M: 46 F: 46 | M: 43 F: 43 | M: 28 F: 28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Additional Metric | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Percentage of employees who received a regular performance review | 100% | 100% | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| |  <p>Embracing Diversity and Equal Opportunity</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 3-3 | <p>IMPACT AND OUR COMMITMENT We believe promoting diversity and fairness creates a more constructive and equitable workplace and a more dynamic and functional workforce. This in turn has a positive impact on our people and indirectly the economy.</p> <p>By being inclusive, HRnetGroup builds capacity for better and deeper connections with candidates and clients.</p> <p>OUR ACTIONS HRnetGroup seeks the right competency and attitude while hiring our permanent and contract employees as well as our interns, as enshrined in our Equal Opportunities Policy.</p> <p>We encourage our clients to do the same. In any case of discrimination or non-compliance of our Equal Opportunities Policies, our employees may voice their concerns through our whistleblowing channels anonymously.</p> <p>Our approach to promotions and incentives also reflects their performance and merit. We ensure the right people are recognised for their work by having no limit to the number of promotions in each Business Unit.</p> <p>Beyond the standards we have developed internally, we are also committed to the application of Tripartite Alliance for Fair and Progressive Employment Practices in Singapore and relevant international guidelines.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |


| | | | | | | |
|---|---|-------------------------------|---------------|-------------------------|-------------------------|-------------------------|
| SGX (S) GRI 2-7a GRI 401-1 GRI 405-1b GRI 405-2 GRI 406-1 IFRS S1 (M) | TRACKING OUR PROGRESS | | | | | |
| | The relevant SGX Common Core Governance Metrics are as follows: | | | | | |
| | Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance |
| | Gender diversity | Employees by gender | N/A | M: 192 F: 612 | M: 214 F: 579 | M: 223 F: 583 |
| | | New hires by gender | N/A | M: 85 F: 201 | M: 115 F: 223 | M: 113 F: 211 |
| | | Turnover by gender | N/A | Not tracked | M: 37.6% F: 32.5% | M: 48.4% F: 36.5% |
| | Age-based diversity | Employees by age | N/A | | | |
| | | • >50 years old | | 26 | 30 | 28 |
| | | • 30-50 years old | | 409 | 418 | 443 |
| | | • <30 years old | | 369 | 345 | 335 |
| | | New hires by age | N/A | | | |
| | | • >50 years old | | 1 | 0 | 1 |
| • 30-50 years old | | 73 | 101 | 111 | | |
| • <30 years old | | 212 | 237 | 212 | | |
| Turnover by age | • >50 years old | N/A | 11.1% | 12.5% | 19.7% | |
| | • 30-50 years old | | 22.9% | 33.1% | 30.1% | |
| | • <30 years old | | 48.5% | 62.3% | 55.6% | |
| Diversity by Region | Employees by region | N/A | | | | |
| | • Singapore | | 259 | 256 | 243 | |
| | • Rest of Asia | | 545 | 537 | 563 | |
| | Turnover by region | N/A | | | | |
| • Singapore | | 23.8% | 24.2% | 32.8% | | |
| • Rest of Asia | | 38.6% | 53.8% | 45.0% | | |
| Diversity | Ratio of basic salary of women to men | N/A | 1:1 | 1:1 | 1:1 | |
| | • Associate level | | 1:1 | 1:1 | 1:1 | |
| | • Middle level | | 1:1 | 1:1 | 1:1 | |
| | • Senior level | | 1:1 | 1:1 | 1:1 | |
| # of incidences of discrimination | 0 | 0 | 0 | 0 | | |

| | | | | | | |
|--|---|---|---|-------------------------|-------------------------|-------------------------|
| Strengthening Business Governance | | | | | | |
| |  <p>Upholding Business Integrity</p> | | | | | |
| GRI 3-3 | IMPACT AND OUR COMMITMENT As a leading player in the heavily-regulated recruitment industry, HRnetGroup places trust and reputation at the centre of how we do our business. Any loss of trust would have a direct negative impact on our business and on our people. | | <ul style="list-style-type: none"> • Fraud • Bribery (including gifts policy) • Segregation of duties • Business ethics (including behaviour on public platforms such as social media) • Protection of personal data • Dealings with candidates and clients <p>Our new employees are required to undertake training, pass online assessments, and make declarations on the above topics. All employees receive annual mandatory training refresh, online assessments and declarations on independence and conflict of interest.</p> <p>Our earlier-mentioned whistleblowing policy acts as a deterrent.</p> | | | |
| GRI 205-1 | OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION In general, recruitment and staffing is an industry that is less prone to corruption, and these country scores are not reflective of the manpower industry | | we operate in. Nevertheless, we continue to assess corruption risk in the markets we operate in using Transparency International's Corruption Perception Index (2022) by territory. | | | |
| SGX (S) GRI 205-2 | TRACKING OUR PROGRESS The relevant SGX Common Core Governance Metrics and other metrics are as follows: | | | | | |
| | Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance |
| | Ethical behaviour | # of GRI anti-corruption disclosures reported | 3 of 3 | 3 of 3 | 3 of 3 | 3 of 3 |
| | | Additional Metrics (GRI) | | | | |
| | | # and % of operations assessed for risk of corruption | N/A | 2 11.8% | 2 11.8% | 2 11.8% |
| | | # and % anti-corruption policy communicated to: | | | | |
| | | • board members | 100% | 9, 100% | 4, 44.4% | 9, 100% |
| | | • employees | 100% | 804, 100% | 793, 100% | 806, 100% |
| | | • business partners | 100% | | Planned | 100% |
| | # and % of total received anti-corruption training: | | | | | |
| | • board members | 100% | 9, 100% | 4, 44.4% | 9, 100% | |
| | • employees | 100% | 804, 100% | 793, 100% | 806, 100% | |
| | # of confirmed incidence of corruption | 0 | 0 | 0 | 0 | |

| |  <p>Ensuring Regulatory Compliance</p> | | | | | | | | | | | | | |
|--|--|--|------------------|------------------------|------------------|------------------|------------------|------------------|------------|-----------------------------|---|---|---|---|
| GRI 3-3 | <p>IMPACT AND OUR COMMITMENT</p> <p>Given the diverse set of regulatory contexts HRnetGroup operations are subjected to across the different markets, it is imperative for HRnetGroup to keep updated on each location's statutory and regulatory requirements. We recognise that non-compliance has a heavy negative potential impact on the trust that our stakeholders place in us.</p> | <p>Our approach is to prevent any potential occurrence as best as possible.</p> <p>Our current policies and processes for regulatory compliance were developed in consultation with stakeholders over time, especially government regulators, clients, professional advisors, employees, management and board.</p> | | | | | | | | | | | | |
| GRI 2-24 | <p>OUR ACTIONS</p> <p>As a policy, we have integrated three pillars into our business operations across all our offices:</p> <p>1. Regular review of new or revised regulatory compliance requirements: Upon the announcement of a new or change in regulations, Management will revise the relevant business and risk management systems as needed (e.g., update contract clauses, compliance checklist, policies, etc.).</p> | <p>2. Dissemination of regulatory updates to employees: We utilise a variety of engagement methods to ensure our people are fully up to date on new regulatory frameworks and announcements.</p> <p>3. Tracking our commitment to compliance: Compliance checklists for all business units are updated based on advice from our HR and Legal departments, and signed off by relevant stakeholders including the legal representative, business leader and Chief People Officer.</p> | | | | | | | | | | | | |
| GRI 2-27 | <p>TRACKING OUR PROGRESS</p> <p>We are proud to report another consecutive year of zero incidences of non-compliance with laws and regulations in the social and economic area:</p> <table border="1"> <thead> <tr> <th>Topic</th> <th>SGX Common Core Metric</th> <th>Target</th> <th>2023 performance</th> <th>2024 performance</th> <th>2025 performance</th> </tr> </thead> <tbody> <tr> <td>Compliance</td> <td>Incidents of non-compliance</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> | | Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance | Compliance | Incidents of non-compliance | 0 | 0 | 0 | 0 |
| Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance | | | | | | | | | |
| Compliance | Incidents of non-compliance | 0 | 0 | 0 | 0 | | | | | | | | | |
| <p>Ensuring Cybersecurity and Data Protection</p> | | | | | | | | | | | | | | |
| GRI 3-3 | <p>IMPACT AND OUR COMMITMENT</p> <p>We continue to take responsibility to prevent potential risks from scams, malware attacks, data and cybersecurity breaches. We recognise that any breach has a negative potential impact on our people, both employees and customers. Our approach therefore is active prevention.</p> <p>OUR ACTIONS</p> <p>We take proper safeguards complying with all applicable laws in all our areas of operations, such as the Cybersecurity Act and the Personal Data Protection Act ("PDPA").</p> <p>In the effort to prevent cybersecurity incidents and protecting our clients' personal information, we employ two main strategies as follows:</p> | <p>1. Defending our assets and systems: Our information technology team fortifies our cybersecurity, including our hardware assets and systems – including our computers, laptops, tablets, phones, and offices where personal and sensitive information are kept.</p> <p>2. Keeping up our cybersecurity and data protection awareness: All our employees are required to attend yearly trainings to ensure they are kept up to date with the recent cybersecurity and malware attacks news.</p> <p>Our cybersecurity and data protection strategies are supported by our data protection policies, which set out clear guidance on data management and employee training requirements.</p> | | | | | | | | | | | | |

| GRI 418 | <p>TRACKING OUR PROGRESS</p> <table border="1"> <thead> <tr> <th>Topic</th> <th>SGX Common Core Metric</th> <th>Target</th> <th>2023 performance</th> <th>2024 performance</th> <th>2025 performance</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Cybersecurity and data protection</td> <td>Number of substantiated complaints concerning breaches of customer privacy</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Number of identified leaks, thefts, or losses of customer data</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> | | | | | Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance | Cybersecurity and data protection | Number of substantiated complaints concerning breaches of customer privacy | 0 | 0 | 0 | 0 | Number of identified leaks, thefts, or losses of customer data | 0 | 0 | 0 | 0 |
|--|--|--------|---|------------------|------------------|-------|------------------------|--------|------------------|------------------|------------------|-----------------------------------|--|----|----|----|----|--|---|---|---|---|
| Topic | SGX Common Core Metric | Target | 2023 performance | 2024 performance | 2025 performance | | | | | | | | | | | | | | | | | |
| Cybersecurity and data protection | Number of substantiated complaints concerning breaches of customer privacy | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | |
| | Number of identified leaks, thefts, or losses of customer data | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | |
| <p>Making Business Impact</p> | | | | | | | | | | | | | | | | | | | | | | |
| <p> </p> <p>Growing Our Business</p> | | | | | | | | | | | | | | | | | | | | | | |
| GRI 3-3 | <p>IMPACT AND OUR COMMITMENT</p> <p>Executing the recruitment and staffing business well has a positive impact on our clients and our candidates, which in turn has a positive impact on the local economy that we operate in. We pride ourselves in the quality of the services we deliver to our clients and candidates – as we believe both these relationships are the keys to building a resilient and sustainable business.</p> <p>OUR ACTIONS</p> <p>Serving our corporate clients well</p> <p>We understand the needs of our clients, as well as our shared commitment to doing business in a responsible and sustainable manner. We value our relationships with our long-term clients. At the same time, we seek new client relationships as we expand our regional network and deepen penetration in our existing markets.</p> <p>We are also committed to helping companies find suitable talents and providing our HR consultancy service to help companies efficiently manage, engage and retain the recruited talents. Our consultants take on the crucial role of ensuring consistent standard and quality in our pool of flexible staffing talents and delivering additional services such as contracting, payroll processing, training and deployment.</p> <p>Raising our candidate experience</p> <p>With our job placement services, HRnetGroup strives to provide better job opportunities for candidates and outsourced contractors.</p> | | <p>To improve employee-employer talent matching, our consultants begin with a Position Profile Report and have close follow-ups with the client to define their selected search parameters, which we follow with a thorough screening and analysis.</p> <p>Based on our assessment of each candidate, we then create Candidate Profile Reports for submission to our clients to provide relevant information and advice.</p> <p>HRnetGroup also takes accountability in ensuring our candidates' retention and well-being in their newly placed jobs through regular follow-ups (i.e. one, three and six months) with our candidates to check in on how they are doing and whether they have any concerns regarding their current roles and workplaces.</p> <p>With the increased demand for flexible staffing, we take considerable steps to ensure our outsourced contractors are readily equipped to serve when the need arises.</p> <p>Investing in capacity building</p> <p>We recognise the need to set up our staff for success. To support our client relationships, we use HearTbeats, an in-house digital platform we introduced since 2020, to conduct Customer Satisfaction Surveys ("CSS") for both corporate clients and candidates. Our HearTbeats platform utilises the Net Promoter Score ("NPS"), an internationally recognised performance metric to measure our customer loyalty and satisfaction.</p> | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Topic</th> <th>Additional Metric</th> <th>Target</th> <th>2023 performance</th> <th>2024 performance</th> <th>2025 performance</th> </tr> </thead> <tbody> <tr> <td>Client and candidate engagement</td> <td>Client and candidate engagement Net Promoter Score (NPS)</td> <td>70</td> <td>86</td> <td>94</td> <td>90</td> </tr> </tbody> </table> | | | | | | Topic | Additional Metric | Target | 2023 performance | 2024 performance | 2025 performance | Client and candidate engagement | Client and candidate engagement Net Promoter Score (NPS) | 70 | 86 | 94 | 90 | | | | | |
| Topic | Additional Metric | Target | 2023 performance | 2024 performance | 2025 performance | | | | | | | | | | | | | | | | | |
| Client and candidate engagement | Client and candidate engagement Net Promoter Score (NPS) | 70 | 86 | 94 | 90 | | | | | | | | | | | | | | | | | |

| GRI 3-3 | <p>TRACKING OUR PROGRESS</p> <p>Our top 5 clients have been with us for an average of 18 years.</p> <p>Selected metrics such as number of candidates and outsourced contractor placements are used to track our business volume. We used an estimate of gross profit per placement and gross profit per</p> | <p>monthly contractor placed to reflect our pricing and the level of talents placed. In addition, sales are also tracked daily at business unit levels, with weekly sales reports and quarterly business reviews at a wider company level.</p> <p>In 2025, we found jobs for 46,130 contractors (FS) and 4,766 candidates (PR).</p> | | | | | | | | | | | | | | | | | | |
|---|--|---|-------------------|------------------|------------------|------------------|------------------|---------------------------------|---------------------------|------|---------|--------|--------|-----------------|----------------------|----|----|----|----|--|
| GRI 201 | <p>The Economic Value Generated (EVG) was S\$606.3m. The Economic Value Distributed was S\$596.3m, of which 87% of EVG was to our employees and outsourced contractors. The Economic Value Retained (EVR) was S\$10.0m. The change in EVR compared to last year was mainly due to annual fluctuation in the Company's profits.</p> <p>Additional metrics</p> <table border="1" data-bbox="290 705 1338 930"> <thead> <tr> <th>Topic</th> <th>Additional Metric</th> <th>Target</th> <th>2023 performance</th> <th>2024 performance</th> <th>2025 performance</th> </tr> </thead> <tbody> <tr> <td>Client and candidate engagement</td> <td>Total job seekers engaged</td> <td>100k</td> <td>100,178</td> <td>82,966</td> <td>86,962</td> </tr> <tr> <td>Business growth</td> <td>10-year revenue CAGR</td> <td>9%</td> <td>8%</td> <td>6%</td> <td>5%</td> </tr> </tbody> </table> | Topic | Additional Metric | Target | 2023 performance | 2024 performance | 2025 performance | Client and candidate engagement | Total job seekers engaged | 100k | 100,178 | 82,966 | 86,962 | Business growth | 10-year revenue CAGR | 9% | 8% | 6% | 5% | <p>Notes:</p> <ul style="list-style-type: none"> Climate change risks are disclosed in the section on environmental impact. HRnetGroup follows the national pension plans in all its markets. Government subsidies are reported in the Key Financial Highlights |
| Topic | Additional Metric | Target | 2023 performance | 2024 performance | 2025 performance | | | | | | | | | | | | | | | |
| Client and candidate engagement | Total job seekers engaged | 100k | 100,178 | 82,966 | 86,962 | | | | | | | | | | | | | | | |
| Business growth | 10-year revenue CAGR | 9% | 8% | 6% | 5% | | | | | | | | | | | | | | | |
| <div style="display: flex; justify-content: space-around; align-items: center;">    </div> <p>Building Capacity in the Local Communities</p> | | | | | | | | | | | | | | | | | | | | |
| GRI 3-3 | <p>IMPACT AND OUR COMMITMENT</p> <p>We believe in creating positive social impact by giving back to the local community. We are committed to giving back to society through community engagements via our HRnetLoves initiative.</p> <p>OUR ACTIONS</p> <p>In 2025, we expanded our commitment to giving back to the community by conducting 17 CSR activities across 6 cities. Our initiatives focused on environmental sustainability, social welfare, workplace wellness, and community engagement. The highlights by city are as follows:</p> <p>Singapore: Food for Good 637 donated items. 250 families reached. Every contribution, big or small, went directly toward bringing comfort to those who needed it most.</p> <p>Malaysia: Closing the Loop on Waste Colleagues came together over several days to collect clothing, cans, bottles, and paper, turning everyday office waste into a meaningful step toward a more sustainable future.</p> | <p>Taiwan: From the Ground Up From meal preparation and clothing recycling to charity sales and administrative support, our Taiwan team showed up across multiple volunteer programmes, rolling up their sleeves wherever they were needed most.</p> <p>Taiwan: Careers Without Borders A virtual mentoring initiative that connected experienced consultants with job seekers navigating career transitions, opening doors across industries and unlocking new possibilities.</p> <p>China: Learning Without Limits Over 100 primary school students in under-resourced areas gained access to better learning tools through our charitable funding, because quality education shouldn't depend on your postcode.</p> <p>China: Inclusion in Action Across five in-person outreach sessions, our team engaged with teenagers living with Autism Spectrum Disorder and Down syndrome, fostering dignity, connection, and a stronger sense of belonging.</p> | | | | | | | | | | | | | | | | | | |

| GRI 3-3 | <p>TRACKING OUR PROGRESS</p> <table border="1" data-bbox="1774 239 2822 369"> <thead> <tr> <th>Topic</th> <th>Additional Metric</th> <th>Target</th> <th>2023 performance</th> <th>2024 performance</th> <th>2025 performance</th> </tr> </thead> <tbody> <tr> <td>CSR participation</td> <td>% of employees participating in CSR activities*</td> <td>50%</td> <td>73%</td> <td>86%</td> <td>64%</td> </tr> </tbody> </table> <p>*in relevant cities</p> | | | | | | Topic | Additional Metric | Target | 2023 performance | 2024 performance | 2025 performance | CSR participation | % of employees participating in CSR activities* | 50% | 73% | 86% | 64% | | | | | | | | | | | | |
|---|--|--|---|------------------|------------------|--|--------------------------|-------------------|------------------------------|------------------|------------------|---|-------------------|---|--|-------|-----|--|--------------|-----|--|-----------------|-----|---|-------|-----|---|----------|-----|----------------------------|
| Topic | Additional Metric | Target | 2023 performance | 2024 performance | 2025 performance | | | | | | | | | | | | | | | | | | | | | | | | | |
| CSR participation | % of employees participating in CSR activities* | 50% | 73% | 86% | 64% | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Doing Our Part for the Environment</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>Doing Our Part for the Environment</p> </div> </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 3-3 | <p>IMPACT AND OUR COMMITMENT</p> <p>HRnetGroup is aware of the existential threats posed by climate change, and the consequences of natural resource depletion to our operations and surrounding communities. These threats have a potential negative impact on the environment. HRnetGroup embarked on our Task Force on Climate-Related Financial Disclosures (TCFD) reporting journey in 2022. The disclosures provide stakeholders with forward-looking, useful information regarding our approach to managing climate risks.</p> | | <p>We understand the need to play our part, and to address the heightened expectation for transparency from shareholders, clients and regulators regarding the carbon footprints of our value chain and actions to mitigate this. We have aligned this section of our reporting to IFRS guidelines. Based on our initial high-level assessment, our direct impact on the environment is limited, due to the nature of our business. The overview of our impact is as follows:</p> <table border="1" data-bbox="1774 1045 2822 1566"> <thead> <tr> <th>Potential material topic</th> <th>GRI Standard</th> <th>HRnetGroup impact assessment</th> </tr> </thead> <tbody> <tr> <td>Materials</td> <td>301</td> <td>Not applicable. As a service company, we do not manufacture or package any products.</td> </tr> <tr> <td>Energy</td> <td>302</td> <td>Limited impact. All but one of our offices are rented. Our impact on energy is based on electricity usage in our offices, which we monitor. Our buildings are increasingly green-certified.</td> </tr> <tr> <td>Water</td> <td>303</td> <td>Limited impact. All but one of our offices are rented. We monitor water usage where possible.</td> </tr> <tr> <td>Biodiversity</td> <td>304</td> <td>Not applicable. As a service company, we do not have a direct impact on biodiversity.</td> </tr> <tr> <td>Emissions (GHG)</td> <td>305</td> <td>Not applicable. As a service company, we do not have direct emissions.</td> </tr> <tr> <td>Waste</td> <td>306</td> <td>Not applicable. As a service company, we do not have direct waste.</td> </tr> <tr> <td>Supplier</td> <td>308</td> <td>Yet to be assessed.</td> </tr> </tbody> </table> | | | | Potential material topic | GRI Standard | HRnetGroup impact assessment | Materials | 301 | Not applicable. As a service company, we do not manufacture or package any products. | Energy | 302 | Limited impact. All but one of our offices are rented. Our impact on energy is based on electricity usage in our offices, which we monitor. Our buildings are increasingly green-certified. | Water | 303 | Limited impact. All but one of our offices are rented. We monitor water usage where possible. | Biodiversity | 304 | Not applicable. As a service company, we do not have a direct impact on biodiversity. | Emissions (GHG) | 305 | Not applicable. As a service company, we do not have direct emissions. | Waste | 306 | Not applicable. As a service company, we do not have direct waste. | Supplier | 308 | Yet to be assessed. |
| Potential material topic | GRI Standard | HRnetGroup impact assessment | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Materials | 301 | Not applicable. As a service company, we do not manufacture or package any products. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Energy | 302 | Limited impact. All but one of our offices are rented. Our impact on energy is based on electricity usage in our offices, which we monitor. Our buildings are increasingly green-certified. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water | 303 | Limited impact. All but one of our offices are rented. We monitor water usage where possible. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Biodiversity | 304 | Not applicable. As a service company, we do not have a direct impact on biodiversity. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Emissions (GHG) | 305 | Not applicable. As a service company, we do not have direct emissions. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Waste | 306 | Not applicable. As a service company, we do not have direct waste. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Supplier | 308 | Yet to be assessed. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| IFRS S2 | <p>Governance</p> <p>Climate-related risks and opportunities are managed as part of overall ESG risk management within our sustainability governance structure. The board's</p> | | <p>oversight of and management's role in climate-related risks and opportunities are disclosed in Section 2 of this report, under 'Governance'.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| IFRS S2 (S) | <p>Strategy</p> <p>In 2022, a groupwide assessment was undertaken to identify and qualitatively assess the potential impacts of climate-related physical and transition risks and opportunities.</p> <p>Our key climate risks are associated with potential compliance and reputation risks related to meeting enhanced climate-reporting requirements, as well as meeting our stakeholders' expectations. As we have multiple clients in various countries, we also face a potential risk of losing revenue from our flexible staffing business should our clients' business get adversely affected by more stringent sustainability requirements or extreme weather events.</p> <p>Nonetheless, we have identified a significant opportunity in terms of access to new job markets given the increasing demand for ESG and carbon management professionals. In addition, through adoption of energy efficiency measures within green office buildings, we can also reduce our own Scope 2 emissions.</p> <p>The identified transition and physical risks were assessed for the following time horizons and temperature scenarios:</p> <ul style="list-style-type: none"> • Timeframe: <ul style="list-style-type: none"> o Short to Medium-term: Now to 2030 o Long-term: Within the next 20 to 30 years (by 2050) • Global warming scenarios: <ul style="list-style-type: none"> o A lower temperature rise scenario at 1.5°C by 2050/2100 o A higher temperature rise scenario at >4°C by 2050/2100 | | | | | | | | | | | | | | |
|---|---|--|---|--------|--------------------------|--|-----------------|------------------|-------|--------|---|---|--|--------|------|
| IFRS S2 (RM) GRI 201-2 | <p>Risk Management</p> <p>The following table shows:</p> <ul style="list-style-type: none"> • The risks and opportunities over the short, medium, and long term; • Their impact on our business; and <ul style="list-style-type: none"> • Our expected resilience to climate-related scenarios (1.5°C and 4.0°C) <p>The following diagram details our phased climate risk management approach in accordance with the TCFD recommendations.</p> <table border="1" data-bbox="290 993 1344 1482"> <thead> <tr> <th rowspan="2">Key risks</th> <th colspan="2">Potential impact on HRnetGroup's business</th> <th colspan="2">Risk levels per scenario</th> </tr> <tr> <th>Business impact</th> <th>Financial impact</th> <th>1.5°C</th> <th>>4.0°C</th> </tr> </thead> <tbody> <tr> <td> Transition risk (Policy/legal) (Reputation) Mandates on and regulation of existing products and services Enhanced emissions reporting obligations <i>Short, medium, and long-term</i> </td> <td>Carbon tax directly affects higher emitters in Singapore. However, there will nevertheless be a downstream impact to everyone in the supply chain including HRnetGroup.</td> <td>Increasing energy costs will lead to higher operating costs.</td> <td>Medium</td> <td>High</td> </tr> </tbody> </table> | Key risks | Potential impact on HRnetGroup's business | | Risk levels per scenario | | Business impact | Financial impact | 1.5°C | >4.0°C | Transition risk (Policy/legal) (Reputation) Mandates on and regulation of existing products and services Enhanced emissions reporting obligations <i>Short, medium, and long-term</i> | Carbon tax directly affects higher emitters in Singapore. However, there will nevertheless be a downstream impact to everyone in the supply chain including HRnetGroup. | Increasing energy costs will lead to higher operating costs. | Medium | High |
| Key risks | Potential impact on HRnetGroup's business | | Risk levels per scenario | | | | | | | | | | | | |
| | Business impact | Financial impact | 1.5°C | >4.0°C | | | | | | | | | | | |
| Transition risk (Policy/legal) (Reputation) Mandates on and regulation of existing products and services Enhanced emissions reporting obligations <i>Short, medium, and long-term</i> | Carbon tax directly affects higher emitters in Singapore. However, there will nevertheless be a downstream impact to everyone in the supply chain including HRnetGroup. | Increasing energy costs will lead to higher operating costs. | Medium | High | | | | | | | | | | | |

| IFRS S2 (RM) GRI 201-2 | <table border="1"> <thead> <tr> <th rowspan="2">Key risks</th> <th colspan="2">Potential impact on HRnetGroup's business</th> <th colspan="2">Risk levels per scenario</th> </tr> <tr> <th>Business impact</th> <th>Financial impact</th> <th>1.5°C</th> <th>>4.0°C</th> </tr> </thead> <tbody> <tr> <td> Physical risk (Acute) Increased frequency of extreme weather conditions such as cyclones, floods, and earthquakes <i>Medium and long-term</i> </td> <td>Extreme weather events such as floods or cyclones may damage operation sites and therefore compromising flexible staffing business, which is one of HRnetGroup's main business operations, particularly in HRnetGroup's high-growth Asian cities.</td> <td>Reduced revenue due to loss of jobs and impact on health of flexible staff jobs due to extreme weather events.</td> <td>Medium to low</td> <td>Medium</td> </tr> <tr> <td> Physical risk (Chronic) Rising mean temperatures <i>Medium and long-term</i> </td> <td>Rising mean temperatures may cause health issues among employees. This will negatively impact HRnetGroup talent pool's workforce capacity. Higher temperatures also lead to higher energy utilisation.</td> <td>Reduced revenue from the reduced working capacity of employees. HRnetGroup will face higher operating costs due to higher energy utilisation.</td> <td>Medium</td> <td>High</td> </tr> <tr> <td> Products and services Ability to diversify business activities <i>Short, medium, and long term</i> </td> <td>Increased regulatory pressure (e.g. carbon tax) to reduce emissions lead to increased business for sustainability-related employment.</td> <td>Clients may seek HRnetGroup's help to search for new specific talent pools.</td> <td>Potential significant opportunity</td> <td>Potential significant opportunity</td> </tr> </tbody> </table> | Key risks | Potential impact on HRnetGroup's business | | Risk levels per scenario | | Business impact | Financial impact | 1.5°C | >4.0°C | Physical risk (Acute) Increased frequency of extreme weather conditions such as cyclones, floods, and earthquakes <i>Medium and long-term</i> | Extreme weather events such as floods or cyclones may damage operation sites and therefore compromising flexible staffing business, which is one of HRnetGroup's main business operations, particularly in HRnetGroup's high-growth Asian cities. | Reduced revenue due to loss of jobs and impact on health of flexible staff jobs due to extreme weather events. | Medium to low | Medium | Physical risk (Chronic) Rising mean temperatures <i>Medium and long-term</i> | Rising mean temperatures may cause health issues among employees. This will negatively impact HRnetGroup talent pool's workforce capacity. Higher temperatures also lead to higher energy utilisation. | Reduced revenue from the reduced working capacity of employees. HRnetGroup will face higher operating costs due to higher energy utilisation. | Medium | High | Products and services Ability to diversify business activities <i>Short, medium, and long term</i> | Increased regulatory pressure (e.g. carbon tax) to reduce emissions lead to increased business for sustainability-related employment. | Clients may seek HRnetGroup's help to search for new specific talent pools. | Potential significant opportunity | Potential significant opportunity |
|--|--|--|---|-----------------------------------|--------------------------|--|-----------------|------------------|-------|--------|--|---|--|---------------|--------|---|--|--|--------|------|---|---|---|-----------------------------------|-----------------------------------|
| Key risks | Potential impact on HRnetGroup's business | | Risk levels per scenario | | | | | | | | | | | | | | | | | | | | | | |
| | Business impact | Financial impact | 1.5°C | >4.0°C | | | | | | | | | | | | | | | | | | | | | |
| Physical risk (Acute) Increased frequency of extreme weather conditions such as cyclones, floods, and earthquakes <i>Medium and long-term</i> | Extreme weather events such as floods or cyclones may damage operation sites and therefore compromising flexible staffing business, which is one of HRnetGroup's main business operations, particularly in HRnetGroup's high-growth Asian cities. | Reduced revenue due to loss of jobs and impact on health of flexible staff jobs due to extreme weather events. | Medium to low | Medium | | | | | | | | | | | | | | | | | | | | | |
| Physical risk (Chronic) Rising mean temperatures <i>Medium and long-term</i> | Rising mean temperatures may cause health issues among employees. This will negatively impact HRnetGroup talent pool's workforce capacity. Higher temperatures also lead to higher energy utilisation. | Reduced revenue from the reduced working capacity of employees. HRnetGroup will face higher operating costs due to higher energy utilisation. | Medium | High | | | | | | | | | | | | | | | | | | | | | |
| Products and services Ability to diversify business activities <i>Short, medium, and long term</i> | Increased regulatory pressure (e.g. carbon tax) to reduce emissions lead to increased business for sustainability-related employment. | Clients may seek HRnetGroup's help to search for new specific talent pools. | Potential significant opportunity | Potential significant opportunity | | | | | | | | | | | | | | | | | | | | | |

METRICS AND TARGETS

The **SGX Common Core Environmental Metrics** are:

| Topic | Additional Metric | Target | 2023 performance | 2024 performance | 2025 performance |
|--------------------|---------------------------------------|----------|------------------|-------------------------|------------------|
| Emissions | Absolute emissions | | | | |
| | • Scope 1 | N/A | N/A | N/A | Nil |
| | • Scope 2 | N/A | No data | No data | 195 m.t. |
| | • Scope 3 | N/A | N/A | N/A | N/A |
| | Emission intensity | | | | |
| | • Scope 1 | N/A | N/A | N/A | Nil |
| Energy consumption | Total consumption (SG) | <600 GJ | 563 GJ | 541 GJ [^] | 481 GJ |
| | Consumption intensity (per headcount) | Planned* | 2.17 GJ/hc | 2.11 GJ/hc [^] | 1.98 GJ/hc |
| | Total consumption | Planned* | 1.59 TJ | 1.45 TJ | 1.38 TJ |
| | Consumption intensity (per headcount) | Planned* | 1.98 GJ/hc | 1.90 GJ/hc | 1.81 GJ/hc |
| Water consumption | Total consumption (SG) | 0.01 ML | 0.019 ML | 0.021 ML | 0.031 ML |
| | Consumption intensity (per headcount) | Planned* | 75 L/hc | 80 L/hc | 126 L/hc |
| Waste generation | Waste generated | N/A | N/A | N/A | N/A |
| | Additional Metric | | | | |
| | Decrease in paper use year on year | 5% | 14% | 3% | 8% |

[^] 2024 consumption has been re-stated based on more complete data

* Planned for future reporting

Note: Given that we began collecting energy and water consumption data in Singapore in 2022, we are still establishing a baseline for consumption intensity prior to setting a target

For Scope 1 emissions, we own our office space in Jakarta, but do not own any other buildings, factories, or vehicles.

For Scope 2 emissions, we have applied the following emission factors (in kg CO₂/kWh);

- Singapore: 0.402; Peninsula Malaysia: 0.774; Mainland China: 0.56; Indonesia: 0.72; Hong Kong: 0.6; Taiwan: 0.495; South Korea: 0.41

Our total energy consumption and consumption intensity dropped due to continued efforts to

instil sustainability awareness in our staff. We will continue to monitor the water consumption numbers, given that this past year we increased work-from-office days.

For our water consumption intensity in Singapore, we experimented with moving one of the offices from bottled water to piped drinking water. Singapore Environment Council guidelines indicate that the overall environmental impact of piped drinking water is lower than bottled water.

The green certifications of our landlords are:

| Type of certification | 2023 | 2024 | 2025 |
|---|-----------|-----------|-----------|
| Total number of office buildings | 31 | 30 | 33 |
| BCA Green Mark – Platinum | 2 | 1 | 0 |
| BCA Green Mark – GoldPlus | 1 | 2 | 2 |
| BCA Green Mark – Gold | 0 | 0 | 2 |
| LEED Platinum | 3 | 5 | 5 |
| LEED Gold | 6 | 4 | 3 |
| Local or Other Green Certification | 4 | 4 | 6 |
| Total green-certified buildings | 16 | 16 | 18 |

IFRS INDEX

| Standard | Content | Page Number |
|---------------------------|---|-------------|
| IFRS S1 (Sustainability) | Governance | 20-24 |
| | Strategy | |
| | Risk management | |
| | Metrics and targets | |
| IFRS S2 (Climate) | Governance | 20-24, 33 |
| | - Governance bodies | |
| | - Management's role | |
| | Strategy | 20-24, 34 |
| | - Climate-related risks and opportunities | |
| | - Business model and value chain | |
| | - Strategy and decision-making | |
| | - Climate impact on financial position | 34-35 |
| | - Climate resilience | |
| | Risk Management | |
| | - Risk management | 36 |
| | - Opportunity management | |
| | - Integration of climate risk | |
| | Metrics and Targets | 36 |
| - Climate-related metrics | | |
| - Climate-related targets | | |

GRI CONTENT INDEX

| | |
|--|--|
| Statement of use | HRnetGroup Limited has reported in accordance with the GRI Standards for the period 1 January to 31 December 2025. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard(s) | None |

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION (PAGE NO.) | OMISSION | | |
|---------------------------------|--|------------------------|--|--------|-------------|
| | | | REQ'MT(S) OMITTED | REASON | EXPLANATION |
| GENERAL DISCLOSURES | | | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organisational details | 20 | Omissions are not permitted for the disclosure | | |
| | 2-2 Entities included in the organisation's sustainability reporting | | | | |
| | 2-3 Reporting period, frequency and contact point | | | | |
| | 2-4 Restatements of information | | | | |
| | 2-5 External assurance | | | | |
| | 2-6 Activities, value chain and other business relationships | 21 | | | |
| | 2-7 Employees | | | | |
| | 2-8 Workers who are not employees | | | | |
| | 2-9 Governance structure and composition | 22 | | | |
| | 2-10 Nomination and selection of the highest governance body | | | | |
| | 2-11 Chair of the highest governance body | | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | | | | |
| | 2-13 Delegation of responsibility for managing impacts | | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | 24 | | | |
| | 2-15 Conflicts of interest | | | | |
| | 2-16 Communication of critical concerns | | | | |
| | 2-17 Collective knowledge of the highest governance body | 22 | | | |
| | 2-18 Evaluation of the performance of the highest governance body | 23 | | | |
| | 2-19 Remuneration policies | | | | |
| | 2-20 Process to determine remuneration | | | | |

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION (PAGE NO.) | OMISSION | | |
|------------------------------------|--|------------------------|--|-----------------------------|--|
| | | | REQ'MT(S) OMITTED | REASON | EXPLANATION |
| GRI 2: General Disclosures 2021 | 2-21 Annual total compensation ratio | - | 2-21 a,b,c | Confidentiality constraints | Information is not disclosed as it includes sensitive and confidential data. |
| | 2-22 Statement on sustainable development strategy | 18 | | | |
| | 2-23 Policy commitments | | | | |
| | 2-24 Embedding policy commitments | 30 | | | |
| | 2-25 Processes to remediate negative impacts | 24 | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | | | | |
| | 2-27 Compliance with laws and regulations | 30 | | | |
| | 2-28 Membership associations | 24 | | | |
| | 2-29 Approach to stakeholder engagement | | | | |
| | 2-30 Collective bargaining agreements | 21 | | | |
| MATERIAL TOPICS | | | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 25 | Omissions are not permitted for the disclosure | | |
| | 3-2 List of material topics | | | | |
| ECONOMIC PERFORMANCE | | | | | |
| GRI 3: Material | 3-3 Management of material topics | 31 | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 32 | | | |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 34-35 | | | |
| | 201-3 Defined benefit plan obligations and other retirement plans | 32 | | | |
| | 201-4 Financial assistance received from government | | | | |
| ANTI-CORRUPTION | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 29 | | | |
| | 205-1 Operations assessed for risks related to corruption | | | | |
| | 205-2 Communication and training about anti-corruption policies and procedures | | | | |
| | 205-3 Confirmed incidents of corruption and actions taken | | | | |

Corporate Information

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION (PAGE NO.) | OMISSION | | |
|---|--|------------------------|----------------------|----------------|--------------------|
| | | | REQ'MT(S) OMITTED | REASON | EXPLANATION |
| ENERGY AND WATER | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 33 | | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organisation | 36 | | | |
| | 302-2 Energy consumption outside of the organisation | - | All | Not applicable | Nature of business |
| | 302-3 Energy intensity | | | | |
| | 302-4 Reduction of energy consumption | | | | |
| | 302-5 Reductions in energy requirements of products and services | | | | |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | | | | |
| | 303-2 Management of water discharge-related impacts | | | | |
| | 303-3 Water withdrawal | | | | |
| | 303-4 Water discharge | | | | |
| | 303-5 Water consumption | | | | |
| EMPLOYMENT, TRAINING AND EDUCATION | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 26 | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 28 | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 27 | | | |
| | 404-2 Programmes for upgrading employee skills and transition assistance programmes | 26 | | | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 27 | | | |
| DIVERSITY AND EQUAL OPPORTUNITY | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 27 | | | |
| NON-DISCRIMINATION | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 27 | | | |
| CUSTOMER PRIVACY | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 30 | | | |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 31 | | | |

BOARD OF DIRECTORS

Mr Peter Sim

Executive Director and Founding Chairman

Mr JS Sim

Executive Director and Chief Executive Officer of Recruit Express Group of Companies

Ms Adeline Sim

Executive Director and Chief Corporate Officer

Ms Jennifer Kang

Executive Director and Group CFO

Ms Mae Heng

Lead Independent Non-Executive Director, Chairman of Audit and Remuneration Committees and Member of Nominating Committee

Mr Hank Sato

Independent Director and Member of Audit Committee

Mr Pong Chen Yih

Independent Director, Chairman of Nominating Committee and Member of Audit and Remuneration Committees

Mr Albert Ellis

Independent Director

Mr Esmond Choo

Independent Director and Member of Remuneration Committee

AUDIT COMMITTEE

Ms Mae Heng (Chairman)

Mr Pong Chen Yih

Mr Hank Sato

NOMINATING COMMITTEE

Mr Pong Chen Yih (Chairman)

Ms Mae Heng

Mr Peter Sim

REMUNERATION COMMITTEE

Ms Mae Heng (Chairman)

Mr Pong Chen Yih

Mr Esmond Choo

REGISTERED OFFICE

391A Orchard Road
Ngee Ann City Tower A #23-03
Singapore 238873
Tel: +65 6730 7860
Email: ir@hrnetgroup.com
Website: www.hrnetgroup.com

COMPANY SECRETARY

Ms Shirley Lim Guat Hua

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

AUDITOR

Deloitte and Touche LLP
6 Shenton Way OUE Downtown 2 #33-00
Singapore 068809
Partner-in-charge: Ms Seah Gek Choo
(Appointed on 1 August 2023)

Corporate Governance

HRnetGroup Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to adopt and comply with Rule 710 of the listing manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST Listing Manual**”) to describe its corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”). The practices of the Board and management of the Group adhere closely to the provisions under the Code. To the extent that the Company’s practices may vary from any provision, Company will explain the reason for the variation and how its practices nevertheless are consistent with the intent of the relevant principle of the Code.

This statement outlines the main corporate governance policies and practices during the financial year with specific reference to the Code.

BOARD MATTERS

1. THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1

Board’s Role

The principal functions of the Board include, *inter alia*, providing entrepreneurial leadership, setting the appropriate tone-from-the-top and desired organisational culture monitoring Management’s performance, establishing a framework for prudent and effective internal controls to manage risk, safeguarding shareholders’ interests and the Group’s assets as well as setting values and standards (including ethical standards) for the Group.

The Board’s Conduct of Affairs

During FY2025, as was in the past years, in addition to carrying out its statutory responsibilities, the Board performed the following roles:

- (a) overseeing and approving the formulation of the Group’s overall long-term strategic objectives and directions, as well as focus on value creation, innovation and sustainability;
- (b) establishing and maintaining a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Group’s performance;
- (c) overseeing and reviewing the management of the Group’s business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its strategic objectives;
- (d) instilling an ethical corporate culture and ensure that the Group’s values, standards, policies and practices are consistent with the culture;
- (e) ensuring transparency and accountability to key stakeholder groups;
- (f) ensuring compliance with the Code, the Companies Act 1967 of Singapore, the Company’s Constitution, the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), accounting standards and other relevant statutes and regulations; and
- (g) assuming the responsibilities for corporate governance.

Corporate Governance

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with Management to take objective decisions in the interest of the Group. Any director who has conflict of interest which is likely to impact his or her independence or conflict with a subject under discussion by the Board, is required to immediately declare his or her interest to the Board, and recuse himself or herself from participating in any further discussions or voting on the subject matter, unless the Board is of the opinion that his or her presence and participation is necessary to enhance the efficacy of such discussion.

Provision 1.2

Continuous Training and Development of the Directors

A formal letter is sent to newly-appointed directors upon their appointment explaining their roles, duties, obligations and responsibilities as a board director.

A new director who has no prior experience of an issuer listed on the SGX-ST must also undergo mandatory training on his roles and responsibilities as prescribed by SGX-ST, unless the Nominating Committee (the “**NC**”) is of the view that training is not required because he has other relevant experience, in which case the basis of its assessment will be disclosed. Pursuant to Rule 720(7) of the Listing Manual, all directors have undergone the required training on sustainability matters as prescribed by the SGX-ST.

To ensure that the Directors keep pace with the regulatory changes that will have an important bearing on the obligations of Company or Directors, the Directors are updated on such changes in between or during Board meetings. The Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars can be arranged and funded by the Company. In FY2025, the external auditors updated the Directors on the new or revised financial reporting standards on an annual basis. Regulatory releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority which are relevant to the Directors are circulated to the Board on a timely basis. They also received on a regular basis reading materials on topical matters or subjects and regulatory updates and their implications.

Provision 1.3

Matters Requiring Board Approval

Other matters specifically reserved for the Board’s approval are those involving material acquisitions and disposal of assets, corporate or financial restructuring, major investments and expenditure, share issuances, dividends to shareholders, interested person transactions and any decision likely to have a material impact on the Company or Group from any perspective, including but not limited to, financial, operational, strategic or reputational.

The matters which are clearly decided on and approved by the Board are clearly documented in the minutes of meetings and kept with the Company.

Provision 1.4

Delegation of Authority to Board Committees

To assist in the execution of its responsibilities, the Board has, without abdicating its responsibility, established three Board Committees, comprising an Audit Committee (the “**AC**”), a Nominating Committee and a Remuneration Committee (the “**RC**”). These committees function within clearly defined written terms of reference and operating procedures. The Board accepts that while these Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lie with the Board.

Corporate Governance

Provision 1.5

Meetings of Board and Board Committees

The Board and its committees meet regularly through scheduled meetings and as warranted by particular circumstances. If Directors are unable to attend meetings in person, telephonic means of communications are allowed under the Constitution of the Company. To enable members of the Board and its committees to prepare for the meetings, agendas are circulated in advance, with board papers and related materials dispatched before the meetings.

Notwithstanding the above, the Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad hoc meetings are also convened as and when they are deemed necessary.

During FY2025, the Company has held two Board Meetings.

Multiple Board Representations

All Directors are required to declare their board representations. The NC will review the multiple board representations held by the Directors on an annual basis to ensure that sufficient time and attention are given to the affairs of the Company. The NC considers that the multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties as a Director of the Company.

The Directors had committed considerable time towards board meetings and board committee meetings held in FY2025 and adjusted their schedules to ensure participation in meetings for the deliberation of issues. The NC is of the view that the Directors have committed their time effectively to discharge their responsibility.

The frequency of meetings and the attendance of each Director at every Board and Board Committees meetings for FY2025 are disclosed in the table reflected below:

| Type of Meetings | Board | AC | NC | RC | AGM |
|---------------------------------------|--------------------------|----|----|----|-----|
| No. of Meetings Held | 2 | 2 | 1 | 1 | 1 |
| Name of Directors | No. of Meetings Attended | | | | |
| Peter Sim | 2 | 2* | 1 | 1* | 1 |
| JS Sim | 2 | 2* | - | - | 1 |
| Adeline Sim | 2 | 2* | - | - | 1 |
| Jennifer Kang | 2 | 2* | - | - | 1 |
| Mae Heng | 2 | 2 | 1 | 1 | 1 |
| Gao Yong (Resigned on 25 April 2025) | 1 | 1* | - | 1 | 1 |
| Pong Chen Yih | 2 | 2 | 1 | 1 | 1 |
| Hank Sato | 2 | 2 | - | - | 1 |
| Albert Ellis | 2 | 2* | - | - | 1 |
| Esmond Choo (Appointed on 1 May 2025) | 1 | 1* | - | - | 1^ |

* Attended by invitation.

^ Attended by invitation prior to his appointment.

Corporate Governance

Provision 1.6

Board's Access to Information

Management places a high priority on providing complete, adequate and timely information to the Board prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Board members received half yearly financial performance of the Group and the Board will also be updated on industry trends and developments. As far as practicable, Board members will receive board papers seven days in advance of the meeting to enable them to have sufficient time to fully consider and deliberate issues to be considered at the meetings. Minutes of previous meetings are tabled and confirmed at Board meetings.

Provision 1.7

Board's Access to Management and Company Secretary

The Board has at all times separate and independent access to Management and the Company Secretary through electronic mail, telephone, virtual meetings and face-to-face meetings and are entitled at all times to request for any additional information needed to make informed decisions. Similarly, key management personnel, the Company's auditors or external consultants are also invited to attend relevant Board and Board committee meetings to update and provide independent professional advice on specific issues, where necessary.

Under the direction of the Chairman, the Company Secretary ensures timely and good information flows within the Board and its Board Committees and between the Management and Independent Directors.

The role of the Company Secretary includes responsibility for ensuring that Board procedures are followed and applicable rules and regulations are complied with. She assists the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committee meetings. She administers and attends all Board and Board Committee meetings of the Company and prepare minutes of meetings.

The appointment and removal of the company secretary is a decision of the Board as a whole.

Where required, procedures are also in place for the Board and individual Board Committees to seek independent professional advice, at the Company's expense.

2. BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions 2.1, 2.2 and 2.3

Independent Element of the Board, Composition of the Independent Directors and Non-Executive Directors on the Board

The Board comprises nine Directors of whom four are Executive Directors and five are Independent Non-Executive Directors ("INEDs"), thus providing strong independent element on the Board, capable of open, constructive and robust debate on pertinent issues affecting the affairs and business of the Company and the Group. There are adequate safeguards and checks in place to ensure that decision making process by the Board is independent. The Board has always discussed important issues robustly and have always been able to reach a consensus on the votes without having to rely on any majority of the votes to decide nor having an individual or small group of individuals dominate the Board's decision-making process. Their combined wealth and diversity of experience enable them to contribute effectively to the strategic growth and governance of the Group. With a majority of the Directors deemed to be independent, the Board is able to exercise independent and objective judgement on Board affairs.

Corporate Governance

Independent Directors

The NC and the Board in its determination of the independence of a Director takes into account inter alia, the criteria given in the Listing Manual and the Code, the existence of any relationships between such Director and the Group, its related corporations, its substantial shareholders and officers and if applicable, whether such relationships can interfere or be reasonably perceived to interfere, with the existence of such Director's independent judgement.

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code. Each of the Independent Directors also confirmed that they are independent and have no relationship identified in the Code.

The NC, having considered the above and the declarations made by each of the Independent Directors in respect of their independence, is of the view that the current Board has an appropriate level of independence to enable it to make decisions in the best interest of the Company.

The Board confirms that none of the Independent Directors have served on the Board beyond nine years from the date of his or her first appointment.

Ms Heng Su-Ling Mae, who was appointed on 16 May 2017, will be approaching nine years of service as an Independent Director at the forthcoming AGM. In accordance with the SGX Listing Rule 210(5)(d)(iv) on the tenure of Independent Directors, she will retire from the Board at the conclusion of the AGM.

Provision 2.4

Composition and Size of the Board

The composition and size of the Board are reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.

Having considered the scope and nature of the operations of the Group, the requirements of the Group's business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the NC with the concurrence of the Board, is of the view that the current Board size of nine Directors and its structure is appropriate and adequate and that the Board possesses the appropriate diversity.

The NC also takes into account the mix of skills, genders and core competencies of its members, to ensure a good balance and diversity of skills, knowledge and experience. The Board as a group comprises members with core competencies in accounting and finance, law, business management experience, industry knowledge, strategic planning and customer-based experience and knowledge.

In accordance with the Code, the Company has formalised a Board Diversity Policy. In recognition of the importance and value of gender diversity in the composition of the Board, the Board has three female directors, representing 33% of total Board membership. The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide core competencies to allow for diverse and objective perspective on the Group's business and direction. Further information on the individual Director's background, experience and skills can be found in the Directors' Profiles set out on pages 8 to 9 of this Annual Report.

Corporate Governance

A summary of the composition of the Board and its Committees is set out below:

| Name of Directors | Board | AC | NC | RC |
|---------------------------------------|---|----------|----------|----------|
| Peter Sim | Founding Chairman Executive Director | - | Member | - |
| JS Sim | Executive Director | - | - | - |
| Adeline Sim | Executive Director | - | - | - |
| Jennifer Kang | Executive Director | - | - | - |
| Mae Heng | Independent Director | Chairman | Member | Chairman |
| Gao Yong (Resigned on 25 April 2025) | Independent Director | - | - | Member |
| Pong Chen Yih | Independent Director | Member | Chairman | Member |
| Hank Sato | Independent Director | Member | - | - |
| Albert Ellis | Independent Director | - | - | - |
| Esmond Choo (Appointed on 1 May 2025) | Independent Director | - | - | Member |

Provision 2.5

Regular Meetings of Non-Executive Directors and Independent Directors

During the year, the Independent Non-Executive Directors of the Board, led by the Lead Independent Director or other Independent Directors as appropriate, communicate among themselves without the presence of the Management as and when the need arises. They also communicate regularly to discuss matters related to the Group, including reviewing the performance of the Management in meeting agreed goals and objectives and monitoring the reporting of performance. The Chairman of such meetings provides feedback to the Board and/or Management as appropriate.

3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 and 3.2

Roles and Responsibilities of Chairman & Executive Director

Peter Sim is the Founding Chairman of the Group since its founding in 1992.

The Company does not have a Chief Executive Officer (CEO). The Founding Chairman works together with the Executive Directors and senior management team, makes strategic proposals to the Board and after robust and constructive Board discussions, executes the agreed strategy, manages and develops the Group's businesses and implements the Board's decisions.

As the Founding Chairman, Peter Sim plays a vital role in assisting the Board to develop policies and strategies and ensuring that they are implemented effectively, creating values with his exhaustive knowledge of business and industry. He ensures that decisions on important matters are made after extensive deliberation and in consultation with the entire Board. He engages in constructive communication with shareholders at the general meetings. He exercises objective judgement on corporate matters impartially, thus ensuring a balance of power and authority. He reviews Board papers before they are presented to the Board and ensures that the information provided is accurate, and consists of authentic details.

All the Board Committees are chaired by Independent Directors and a majority of the Board consists of Independent Directors. The Chairman also facilitates the effective contribution of Non-Executive Directors and promotes high standards of corporate governance.

Corporate Governance

Through the establishment of various Board Committees with power and authority to perform key functions without the undue influence from the Board Chairman, and the putting in place of internal controls for proper accountability and to allow for effective oversight by the Board of the Company's business, the Board ensure there is an appropriate balance of power which allows the Board to exercise objective decision-making in the interest of the Company. The Board is of the view that Peter Sim's role as an executive Board Chairman would continue to facilitate the Group's decision-making and implementation process.

Provision 3.3

Lead Independent Director

Taking into account that the Board Chairman is an Executive Director and thus not independent, the Board has appointed Mae Heng as the Lead Independent Non-Executive Director to serve as a sounding board for the Board Chairman and also an intermediary between the Independent Directors and the Board Chairman. She is also responsible for providing leadership in situations where the Chairman is conflicted and is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate and inadequate.

4. BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2

NC Membership and Terms of Reference

The NC comprises the following three Directors, a majority of whom are non-executive and independent:

| | |
|-------------------------|--|
| Pong Chen Yih, Chairman | (Independent Non-Executive Director) |
| Mae Heng, Member | (Lead Independent Non-Executive Director) |
| Peter Sim, Member | (Executive Director and Founding Chairman) |

The NC meets at least once a year.

The NC is guided by its written terms of reference, which set out its authority and duties. The principal functions of the NC include, *inter alia*:

- (a) making recommendations to the Board on all Board appointments and the composition of the Board of Directors, taking into account, among other things, the future requirements of the Group, the need for diversity on the Board as well as other considerations in accordance with the guidelines recommended under the Code;
- (b) making recommendations to the Board on relevant matters relating to the appointment and re-appointment of the directors (including alternate directors, if applicable);
- (c) regularly reviewing the structure, independence, size and composition of the Board of Directors and recommending to the Board such adjustments as it may deem necessary;
- (d) reviewing and determining annually, and as and when circumstances require, if a director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors;
- (e) reviewing other directorships held by each director and deciding whether or not the director is able to carry out, and has been adequately carrying out, his duties as director, taking into consideration the director's number of listed company board representations and other principal commitments;

Corporate Governance

- (f) developing a process for evaluating the effectiveness and performance of the Board and its committees; and proposing objective performance criteria, as approved by the Board, that allow comparison with the industry peers (if available) and address how the Board has enhanced long-term shareholders' value;
- (g) assess the performance of the Board as a whole and contribution of each director to the effectiveness of the Board;
- (h) review of succession plans for directors, in particular, for the Chairman and key management personnel;
- (i) review of training and professional development programs for the Board;
- (j) review and approve any new employment of persons related to the director(s) and substantial shareholder(s), and the proposed terms of their employment; and
- (k) other acts as may be required by the SGX-ST and the Code from time to time.

NC Responsibilities

The key responsibilities of the NC include making recommendations to the Board on the relevant matter such as the process for evaluating the performance of the Board as a whole. It also ensures compliance with the provisions of the Company's Constitution which stipulates that at each annual general meeting of the Company, one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office by rotation in accordance with the Constitution, and may stand for re-election.

Pursuant to Article 94 of the Company's Constitution, JS Sim, Albert Ellis and Mae Heng will retire at the Company's forthcoming annual general meeting and will be eligible for re-election. Esmond Choo who was appointed on 1 May 2025 will retire pursuant to Article 100 of the Constitution at the Company's forthcoming annual general meeting and will be eligible for re-election.

Pursuant to Rule 210(5)(d)(iv) of the SG Mainboard Rules read with Paragraph 2.1 of SGX-ST Transitional Practice Note 4 on Transitional Arrangements regarding the Tenure Limit for Independent Directors, as of the date of an issuer's annual general meeting for the financial year ending on or after 31 December 2023, a director (whether independent, executive or non-executive) who has served on the board of an issuer for an aggregate period of nine years will no longer be eligible to be designated as an independent director of the issuer.

Mae Heng was appointed as Independent Non-Executive Director on 16 May 2017 and will be approaching nine years of service as an Independent Non-Executive Director. As a result, following the conclusion of the AGM, Mae Heng will retire at the AGM without seeking re-election.

Accordingly, at the conclusion of the AGM, Mae Heng will step down as the Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee.

The Board has accepted the NC's recommendation for the re-election of JS Sim, Albert Ellis and Esmond Choo.

In making the recommendation, the NC had considered the Directors' overall contribution and performance.

When a Director has multiple listed company board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that six of the directors - including Gao Yong (who resigned on 25 April 2025), Mae Heng, Pong Chen Yih, Hank Sato, Albert Ellis and Esmond Choo have multiple board representations. The NC is of the view that the matter relating to multiple listed company board representations should be left to the judgement of each Director given that time requirements for different board representations vary. And as such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold at this point in time.

Each member of the NC has abstained from reviewing and voting on any resolution relating to the assessment of his performance and independence, or his re-nomination as Director, or in any matter where he has an interest.

Corporate Governance

Alternate Directors

There are currently no alternate directors on the Board.

Provision 4.4

Determining Directors' Independence

Each Director completes a checklist to confirm his or her independence on an annual basis. The NC has reviewed the independence of the Directors as mentioned under Provision 2.1 above and is of the view that Mae Heng, Pong Chen Yih, Hank Sato, Albert Ellis and Esmond Choo are independent based, *inter alia*, on the criteria given in the Listing Manual and the Code and their respective declarations. Gao Yong, who resigned on 25 April 2025, was also considered independent during his tenure.

Provisions 4.3 and 4.5

Process for the Selection and Appointment of New Directors

The NC determines a suitable size and composition of the Board, and evaluates the balance of skills, knowledge and experience of members of the Board required to add value and facilitate effective decision-making of the Company, taking into consideration the scope and nature of the operations of the Company.

However, the Company does not have a formal selection criterion for the appointment of new directors to the Board. When a vacancy arises under any circumstances, either as part of the Board renewal process or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC, in consultation with the Board, will determine the selection criteria and will select candidates with the appropriate expertise and experience for the position. In its search and nomination process for new directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC will make reference checks, meet up with the candidates, assess their suitability, and make recommendations to the Board. Shortlisted candidates will then meet up with the other Board members before the Board approves the appointment.

Board appointments are made by the Board after the NC has, upon reviewing the resume of the proposed director and conducting appropriate interviews, recommended the appointment to the Board and the Board approves the appointment. Pursuant to the Constitution of the Company, each director is required to retire at least once every three years by rotation, and all newly appointed directors who are appointed by the Board are required to retire at the next annual general meeting following their appointment. The retiring directors are eligible to offer themselves for re-election.

Formal letters will be sent to newly-appointed Director upon his or her appointment stating his or her duties and obligations as director.

Corporate Governance

Key information on Directors

Each Director's position, date of initial appointment, date of last re-election and Directorships/chairmanships held by the Directors in other listed companies are as follows:

| Name of Directors | Date of initial appointment | Date of last re-election | Current directorship in listed companies | Past directorship in listed companies (preceding three years) |
|-------------------|-----------------------------|--------------------------|--|---|
| Peter Sim | 21 September 2016 | 25 April 2025 | – | – |
| JS Sim | 21 September 2016 | 25 April 2024 | – | – |
| Adeline Sim | 16 May 2017 | 25 April 2024 | – | – |
| Jennifer Kang | 1 May 2023 | 25 April 2024 | – | – |
| Mae Heng | 16 May 2017 | 26 April 2023 | <ul style="list-style-type: none"> ● Chuan Hup Holdings Limited ● Ossia International Limited ● Rex International Holding Limited ● ISDN Holdings Limited ● Progen Holdings Limited | <ul style="list-style-type: none"> ● Apex Healthcare Berhad ● Novo Tellus Alpha Acquisition ● Grand Venture Technology Limited |
| Pong Chen Yih | 1 July 2022 | 25 April 2025 | <ul style="list-style-type: none"> ● Rex International Holding Limited | <ul style="list-style-type: none"> ● Figtree Holdings Limited ● Grand Venture Technology Limited |
| Hank Sato | 1 July 2022 | 25 April 2025 | <ul style="list-style-type: none"> ● Open Up Group Inc. | – |
| Albert Ellis | 1 October 2022 | 26 April 2023 | <ul style="list-style-type: none"> ● Staffline Group Plc | – |
| Esmond Choo | 1 May 2025 | – | <ul style="list-style-type: none"> ● Ho Bee Land Limited | – |

The principal commitments of the Directors, if any, and other key information regarding the Directors are set out in the Directors' profile section in this Annual Report.

5. BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2

Board Performance

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with applicable laws, and members of the Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board as a whole, the Board Committees, and the contribution of Chairman and each individual director to the Board.

For FY2025, all Directors participated in the evaluation by providing feedback to the NC in completing the form of Board and Board Committee Performance Evaluation. To ensure confidentiality and frank assessment, the evaluation forms completed by Directors were submitted to the Company Secretary and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of the Board's performance for the year.

The Board Chairman will act on the results of the performance evaluation and propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

Corporate Governance

In view of the size and composition of the Board, whereby almost all Independent Directors sit in the various Board Committees, the Board deems that there would be no value add for the NC to assess the effectiveness of each Board Committee.

Performance Criteria for Board Evaluation

The form of Board and Board Committee Performance Evaluation is circulated and completed by each member of the Board annually. This involves scoring and an invitation for feedback on a number of key areas, including Board composition and size, Board independence, Board process, Board access to timely and accurate information, internal controls and risk management, Board accountability to shareholders, Board interaction with Management, etc.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

Evaluation of Individual Directors

The NC assesses the individual Directors' performance, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings, the technical knowledge of the Directors, communication and interaction, knowledge of the Group's business and operations, etc.

The results of the evaluation and the feedback obtained from the Directors were collated by the Company Secretary and shared with the NC Chair and NC members and subsequently with the entire Board.

For FY2025, the NC duly observed the aforesaid process and criteria and was satisfied with the results of the review. No external facilitator has been engaged to perform the Board assessment process. Where relevant and when the need arises, the NC will consider such an engagement.

REMUNERATION MATTERS

6. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Matters concerning remuneration of the Board, key management personnel and employees who are related to the substantial shareholders, the Directors, if any, are handled by the RC whose primary functions include development of formal and transparent policies on remuneration matters in the Company.

Provisions 6.1, 6.2 and 6.3

Remuneration Committee and Terms of Reference

The RC comprises the following three Directors, all of whom are non-executive and independent:

| | |
|-----------------------|---|
| Mae Heng, Chairman | (Lead Independent Non-Executive Director) |
| Pong Chen Yih, Member | (Independent Non-Executive Director) |
| Esmond Choo, Member | (Independent Non-Executive Director) |

The RC meets at least once a year.

The RC is guided by its terms of reference, which sets out its authority and duties. The principal functions of the RC include, *inter alia*:

- (a) reviewing and recommending to the Board, in consultation with the Chairman of the Board (where applicable, such as in a case where the Chairman of the Board is not a member of the RC), for endorsement, a comprehensive remuneration policy framework and general framework and guidelines for remuneration of the directors and key management personnel;

Corporate Governance

- (b) reviewing recommendations made by the GROW Committee with regards to the administration of the HRnet GROW Plan, and recommending the same with such adjustments or modifications as it may deem necessary, to the Board, for endorsement;
- (c) reviewing and recommending to the Board, for endorsement, specific remuneration packages for each of the directors and the key management personnel;
- (d) reviewing the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service;
- (e) recommending to the Board, for endorsement, performance targets for assessing the performance of each of the Executive Directors and key management personnel; and
- (f) other acts as may be required by the SGX-ST and the Code from time to time.

On annual basis, the RC reviews and approves the annual increments, variable bonus to be granted to the Executive Directors and key management personnel based on the key performance indicators set by the Company. Thereafter, RC's recommendations will be submitted for endorsement by the Board. Each RC member does not participate in discussions, and abstains from decision-making, in relation to any remuneration, compensation, options or any form of benefits to be granted to him or her. No director is involved in deciding his or her own remuneration, compensation or any form of benefits to be granted to him or her.

The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

Provision 6.4

RC's Access to Advice on Remuneration Matters

The Board is ultimately accountable for all remuneration decisions. The members of the RC are familiar with executive compensation matters as they manage their own businesses, and/or have held or are holding other senior positions and directorships. In discharging its responsibilities, the RC considers all aspects of remuneration and performs benchmarking against comparable organisations to ensure that all aspects of remuneration (including termination terms) are fair and competitive. The RC has access to expert advice regarding executive compensation matters, if required. Given that the company is in the business of executive recruitment and has the data, skills and knowledge regarding market practices on executive compensation matters, the Board did not engage any external remuneration consultant to advise on remuneration matters for FY2025.

7. LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1 and 7.3

Remuneration of Executive Director and Key Management Personnel

The Company's remuneration structure for its Executive Director and key management personnel comprises both fixed and variable components. The variable component is linked to the Group or Company's performance and the individual personnel's performance. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long-term success of the Group.

Corporate Governance

In setting remuneration packages, the RC takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel. The Company also ensures that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

The Group has entered into fixed-term service agreements with the Executive Directors, namely Peter Sim, JS Sim, Adeline Sim and Jennifer Kang. The current service agreements are valid until 31 March 2027. Subsequently, it may be renewed for an additional five years period or such period as the parties may agree.

Either party may terminate the service agreement at any time by giving the other party not less than three months' notice in writing, or in lieu of such notice, an amount equivalent to three months' salary based on Executive Directors' last drawn base salary.

For FY2025, the RC considered and approved the annual increments, variable bonus to be granted to the Executive Directors and the key management personnel based on the key performance indicators set out by the Company. There were no long-term incentive schemes introduced by the Company in FY2025.

Contractual Provisions Protecting the Company's Interests

The Company is progressively updating the remuneration contracts with the Executive Directors and key management personnel to include contractual provisions enabling the Company to reclaim the variable components of remuneration in exceptional circumstances, such as any misstatement of financial results, or misconduct resulting in financial loss of the Company and the Group.

Previously, the Company did not have such contractual provisions in the employment contracts with the Executive Directors and key management personnel. The Board is of the view that the formula for incentive bonus to Executive Directors and key management personnel is pegged to the profits of the Group. The Group has ample time to ensure that the revenue of the relevant period is collected and that profits are accurately accounted for and that any necessary adjustments can be made in the subsequent payout period.

Provision 7.2

Remuneration of Non-Executive Directors

The Board has considered and approved the RC's proposal in respect of the Non-Executive Directors' fees for FY2026. Non-Executive Directors are compensated based on fixed directors' fees taking into consideration their effort and time spent, responsibilities and level of contribution to the Board and Board Committees. The total Directors' fees of S\$240,000 for FY2026 (the "2026 Directors' Fees") and related expenses are recommended by the Board for approval by the shareholders at the forthcoming annual general meeting of the Company. If the 2026 Directors' Fees are approved, the relevant Non-Executive Directors will be paid the 2026 Directors' Fees, out of which a total of S\$168,333 will be applied as consideration for the issuance of a total of 253,896 Shares to Mr Albert George Hector Ellis, Mr Pong Chen Yih, Mr Esmond Choo and Mr Lim Lian Soon, with the exception of Ms Mae Heng and Mr Hank Sato who will be fully paid in cash. The issue price for such remuneration Shares is S\$0.6630 and is determined on the basis of the volume-weighted average closing price of the Shares traded on the SGX-ST for the five market days up to and including 27 March 2026, being the latest practicable date prior to the date of this Report, and applying a discount of 10%. The issuance of such remuneration Shares will be treated as an acquisition of Shares by the relevant Directors and such Shares will be issued out of treasury. Such issuance is subject to the listing approval of the SGX-ST. If the listing approval of the SGX-ST is not granted, the relevant amount of the 2026 Directors' Fees will be paid in cash. The remuneration Shares will rank pari passu with the existing issued Shares.

None of the members of the RC or any director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him or her.

Corporate Governance

8. DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.2

Remuneration Report

Details on the remuneration of Directors and key management personnel for FY2025 are presented in the following tables.

Remuneration of Directors

The table below shows the breakdown of the remuneration and fees of the Directors for FY2025. Shareholders' approval will be sought at the forthcoming annual general meeting for payment of fees for the financial year ending 31 December 2026.

The level and mix of remuneration paid or payable to the Directors for FY2025 are set out below:

| Name of Directors | Salary and Allowance ⁽¹⁾ \$ | Bonus ⁽¹⁾ \$ | Director's Fees \$ | Other Benefits \$ | Total Compensation \$ |
|--|---|----------------------------|-----------------------|----------------------|--------------------------|
| DIRECTORS | | | | | |
| Peter Sim | 246,660 | - | - | - | 246,660 |
| JS Sim | 403,992 | - | - | - | 403,992 |
| Adeline Sim | 411,096 | 98,033 | - | 9,720 | 518,849 |
| Jennifer Kang Ah Eng | 361,764 | 52,766 | - | 8,503 | 423,033 |
| Mae Heng | - | - | 70,000 | - | 70,000 |
| Albert Ellis | - | - | 45,000 | - | 45,000 |
| Gao Yong (Resigned on 25 April 2025) | - | - | 14,178 | - | 14,178 |
| Hank Sato | - | - | 45,000 | - | 45,000 |
| Pong Chen Yih | - | - | 45,000 | - | 45,000 |
| Esmond Choo Liong Gee (Appointed on 1 May 2025) | - | - | 30,000 | - | 30,000 |

Notes:

⁽¹⁾ The salary and allowance, and bonus amount shown are inclusive of employer's statutory contributions to the Central Provident Fund.

Corporate Governance

Remuneration of Key Management Personnel

The Group had four key management personnel (who are not Directors or the CEO) in FY2025.

The details of the remuneration paid to the four key management personnel of the Company during FY2025 are set out below in bands (in percentage terms):

| Name of Key Management Personnel ⁽¹⁾ | Salary and Allowance ⁽²⁾ % | Bonus ⁽²⁾ % | Other Benefits % | Total Compensation % |
|--|--|---------------------------|---------------------|-------------------------|
| KEY MANAGEMENT PERSONNEL | | | | |
| S\$250,001 to S\$500,000 | | | | |
| Daisy Tan | 87 | 10 | 3 | 100 |
| Jacelyn Chua Meng Hoon | 65 | 34 | 1 | 100 |
| Lorencz Tay Yuh Shiuan | 56 | 42 | 2 | 100 |
| S\$250,000 and below | | | | |
| Madeline Wan Poh Cheng (Resigned on 28 February 2025) | 87 | 13 | – | 100 |

Notes:

- ⁽¹⁾ The sequence is presented according to alphabetical order of names within each band.
- ⁽²⁾ The salary and allowance, and bonus amount shown are inclusive of employer's statutory contributions to the Central Provident Fund.

The aggregate remuneration paid to the four key management personnel of the Group (who are not directors or CEO) in FY2025 amounted to S\$1.2million.

Remuneration of Immediate Family of Director

The details of the remuneration paid in excess of S\$100,000 to the immediate family of Director of the Company during FY2025 are set out below (in percentage terms):

| Name of Immediate Family of Director ⁽¹⁾ | Salary and Allowance ⁽⁵⁾ % | Bonus ⁽⁵⁾ % | Other Benefits % | Total Compensation % |
|---|--|---------------------------|---------------------|-------------------------|
| IMMEDIATE FAMILY OF DIRECTOR | | | | |
| S\$100,001 to S\$200,000 | | | | |
| Aviel Sim ⁽²⁾ | 60 | 39 | 1 | 100 |
| Jocelyn Ho ⁽³⁾ | 80 | 19 | 1 | 100 |
| Joshua Sim ⁽⁴⁾ | 85 | 9 | 6 | 100 |

Notes:

- ⁽¹⁾ The sequence is presented according to alphabetical order of names within each band.
- ⁽²⁾ Aviel Sim is the son of Peter Sim and brother of Adeline Sim.
- ⁽³⁾ Jocelyn Ho is the daughter-in-law of JS Sim and spouse of Joshua Sim.
- ⁽⁴⁾ Joshua Sim is the son of JS Sim.
- ⁽⁵⁾ The salary and allowance, and bonus amount shown are inclusive of employer's statutory contributions to the Central Provident Fund.

In FY2025, other than as disclosed, none of the employees who are substantial shareholders or are immediate family members of a director or a substantial shareholder of the Company were remunerated in excess of S\$100,000.

Corporate Governance

Provision 8.3

Other Payment and Benefits to Directors and Key Management Personnel including Employee Share Schemes

There are no employee share schemes, termination, retirement or post-employment benefits that are granted to the Directors and the key management personnel of the Group.

9. RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders

Provision 9.1

Risk Management and Internal Control Systems

The Board acknowledges that it is responsible for the overall risk management and internal control framework, but recognises that no cost effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group, in consultation with the internal auditors, has implemented the Enterprise Risk Management (“ERM”) framework which lays out the governing policies and procedures and complies with recommendation of the Code. The ERM framework is benchmarked against the Committee of Sponsoring Organisations of the Treadway Commission (i.e. “COSO Model”) which is designed to manage the Group’s risks and its internal control systems, so as to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

Risk Committee

The responsibility of overseeing the Group’s risk management framework and policies is undertaken by the AC with the assistance of the internal auditors. Having considered the Group’s business operations as well as its existing internal controls and management systems, the Board is of the view that a separate Risk Committee is not required for the time being.

Provision 9.2

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Group engages a professional audit firm to conduct internal audit reviews based on the plan approved by the AC.

During the year, the AC also reviewed the reports submitted by the internal auditors relating to the effectiveness of the Group’s internal controls, including adequacy of the Group’s financial, operational compliance and information technology controls. In addition, the Group evaluates its risk exposures based on the likelihood and impact of each risk identified. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

Corporate Governance

Board's Comment on Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board is satisfied that the Company worked closely with the internal and external auditors to implement the recommended measures and procedures, and strived to achieve high standards in risk management and internal controls.

The Board has received assurance from the Chairman and the Group Chief Financial Officer (a) that the financial records have been properly maintained and the financial statements for FY2025 give a true and fair view of the Company's operations and finances, and (b) regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the assurance from the Chairman and Group Chief Financial Officer referred to in the preceding paragraph, the various internal controls put in place by the Group, the work performed and reports submitted by the internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing financial, operational, compliance and information technology controls, were adequate and effective as at 31 December 2025.

10. AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.2

Membership

The AC comprises the following three Directors, all of whom are non-executive and independent:

| | |
|-----------------------|---|
| Mae Heng, Chairman | (Lead Independent Non-Executive Director) |
| Pong Chen Yih, Member | (Independent Non-Executive Director) |
| Hank Sato, Member | (Independent Non-Executive Director) |

The AC meets at least twice a year.

Expertise of AC Members

The Chairman of the AC is a Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants. The other members of the AC have many years of experience in business management and exposure to financial aspects of businesses. The Board is satisfied that the members of AC have recent and relevant accounts or related financial management expertise and experience to discharge the functions of the AC.

Provision 10.3 Partners and Directors of the Company's Auditing Firm

None of the AC members were previously partners or directors of the Company's existing audit firm or auditing corporation within the previous 2 years nor does any of the AC members hold any financial interest in the Company's existing audit firm or auditing corporation.

Provision 10.1 Roles, Responsibilities and Authorities of AC

The AC is guided by its written terms of reference, which set out its authority and duties. The key functions of the AC include, *inter alia*:

- (a) undertake such other reviews and projects as may be requested by the Board and assist the Board in discharging its statutory responsibilities on financing and accounting matters;
- (b) review significant financial reporting issues and judgements to ensure the integrity of the financial statements and any announcements relating to financial performance;

Corporate Governance

- (c) review the assurance from the Chairman and the Group CFO on the financial records and financial statements;
- (d) review and report to the Board on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems at least annually;
- (e) review, with the external auditors, their evaluation of the system of internal accounting controls;
- (f) review the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- (g) review the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;
- (h) review the statements to be included in the annual report concerning the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- (i) review, with the internal auditor, his evaluation of the implementation and effectiveness of the Compliance Framework, and overseeing the Compliance Committee;
- (j) review any matters escalated by the Compliance Committee and making recommendations to the Compliance Committee and, if necessary or appropriate, the Board with a view to resolving or mitigating such matters;
- (k) review any interested person transactions as defined in the Listing Manual of SGX-ST;
- (l) review and approve all hedging policies and types of hedging instruments to be implemented by the Company, if any;
- (m) monitor and review the effectiveness of the internal audit function;
- (n) appraise and report to the Board on the audits undertaken by the external auditors and internal auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls;
- (o) make recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor;
- (p) review any actual or potential conflicts of interest that may involve the Directors as disclosed by them to the Board and exercise directors' fiduciary duties in this respect;
- (q) review the policy and arrangements for employees and any other persons to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The AC shall ensure that these arrangements allow such concerns to be raised, proportionate and independent investigation of such matters and appropriate follow up action to be taken;
- (r) review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- (s) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (t) generally undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

Corporate Governance

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any Director, Executive Officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

During FY2025, the AC reviewed the financial results announcements of the Company on a half yearly basis before their submission to the Board for approval. In the process, the AC reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance. The AC also reviewed all Interested Person Transactions as well as the use of IPO proceeds.

The AC had reviewed the external auditor's audit memorandum for FY2025 and with the auditors' proposed significant areas of focus and assumptions that impact the financial statements before an audit commences. In its review of the financial statements of the Group for FY2025, the external auditors had discussed with Management together with the AC, the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements and also considered clarity of key disclosures in the financial statements. The AC also reviewed and addressed, amongst other matters, the key audit matters as reported by the external auditors for FY2025. The key audit matters can be found on page 77 of this Annual Report.

AC to Keep Abreast of Changes to Accounting Standards

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept up to date by Management, external and internal auditors on changes to accounting standards, SGX-ST rules and other codes and regulations which can have an impact on the Group's business and financial statements.

Independence of External Auditors

The AC has reviewed the independence and objectivity of the external auditors through discussions with the external auditors and an annual review of the nature, extent and charges of non-audit services provided by the external auditors and the AC was of the view that the non-audit services provided by the external auditors in FY2025 did not prejudice their objectivity and independence.

The fees paid or payable to the external auditors in FY2025 for audit and non-audit services amounted to S\$320,000 and S\$117,000, respectively.

In respect of the audit quality indicators, the AC had reviewed, in particular, the following areas: audit hours planned, experience of the team, adequacy of training received by the team, results of internal and third party's inspection of their work, compliance with independence requirement, quality control, staff oversight and staff attrition rate.

On the basis of the above, the AC is satisfied with the standard and quality of work performed by the external auditors. It has recommended to the Board the nomination of the external auditors, Deloitte & Touche LLP, for re-appointment as external auditors at the forthcoming annual general meeting of the Company.

The Company has complied with Rules 712, 715 and 716 of the Listing Manual in relation to the appointment of its external auditors.

Whistle-blowing Policy

The Group has implemented a whistle-blowing policy. The policy aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group and to assure them that they will be protected from victimisation for whistle-blowing in good faith, whistle-blowers may report directly to the Chairman of the AC.

Cases that are significant are reviewed by the AC for adequacy of investigation actions and resolutions. The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offence and/or criminal activities in the Group, they and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action. To the extent that is permissible by law, the identity of the whistle-blower is kept confidential.

Corporate Governance

The Group takes concerns raised in respect of the integrity and honesty of its employees very seriously. The whistle-blowing policy as well as whistle-blowing communication channel, has been disseminated to all staff via internal HR portal.

The whistle-blowing policy is reviewed by the AC from time to time to assess the effectiveness of the processes in place and to ensure that the said policy is updated to take into account any related changes in legal and regulatory requirements.

Provision 10.4

Internal Audit

The AC's responsibilities over the Group's internal controls and risk management are completed by work of the Group's internal auditors.

The Company outsources the internal audit function to an external professional firm to perform the internal audit function, review and test of controls of the Group's processes. The AC approves the appointment, removal, evaluation and compensation of the internal auditors. The internal auditors report directly to the chairman of the AC and has full access to the Company's documents, records, properties and personnel.

In FY2025, the Board engaged Ernst & Young Advisory Pte Ltd as its internal auditors to review the pre-selected areas of the operations of the Group. The AC, having considered, amongst others, the reputation and track record of Ernst & Young Advisory Pte Ltd and the qualifications, experience and availability of resources and independence of the team at Ernst & Young Advisory Pte Ltd, is satisfied that the appointment of Ernst & Young Advisory Pte Ltd as the Group's internal auditors is appropriate.

Internal Audit Function

The internal auditor function plans its internal audit schedules in consultation with, but independent of, the Management. The internal auditors, Ernst & Young Advisory Pte Ltd, is staffed with professionals with relevant qualification and experience. The internal audit plan, the scope of audit examination and the internal audit budget are submitted to the AC for approval prior to the commencement of the internal audit. The internal audit is carried out in accordance with the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC annually reviews the activities of the internal auditors, including overseeing and monitoring the implementation of improvements required on internal control weaknesses identified.

Having reviewed the internal auditors' plan and activities, the AC is satisfied with the quality and effectiveness of the internal audit function and that the internal audit function is currently adequately resourced and has appropriate independent standing within the Group to perform its functions effectively.

Provision 10.5

Meeting with External and Internal Auditors

During FY2025, the Group's external and internal auditors were invited to attend the AC meetings and make presentations as appropriate. The AC meets with the external and internal auditors without the presence of the Management, at least annually.

Corporate Governance

SHAREHOLDERS RIGHTS AND ENGAGEMENT

11. SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1 and 11.4

Conduct of General Meetings

All shareholders of the Company are informed the annual general meeting published in the newspaper and the Company's announcement via SGXNet or its website as well as through the notice of the general meeting dispatched to them. In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts, it is implementing the use of electronic communications where the printed copies of annual report and circular will not be sent to shareholders unless requested by shareholders via the submission of a request form.

The Company encourages shareholders' participation at annual general meetings, and all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to Directors, including the chairperson of each of the Board committees.

Shareholders are also informed of the rules and voting procedures governing such meetings.

All resolutions at general meetings are voted by poll so as to better reflect the shareholders' interests and ensure greater transparency. The Company adopts an electronic poll voting system to register the votes of shareholders who attend the general meetings. The Company appoints an independent external party as scrutineer for the electronic poll voting process.

Prior to each general meeting, the scrutineer will review the proxies and the electronic poll voting system to ensure that the information is compiled correctly. The scrutineer also attends the general meetings to ensure that the polling process is properly carried out.

Provision 11.4 of the 2018 Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. The Company's Constitution currently does not, however, allow shareholders to vote at general meetings in absentia. The Board will consider implementing the relevant amendments to the Constitution when there is a demand for such alternative methods of voting and after the Board have evaluated and ensured that security integrity and other pertinent issues are satisfactorily resolved.

The Board supports the Code's principle of encouraging shareholder participation. The Constitution of the Company allows a member (who are not relevant intermediaries as set out in the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries to appoint multiple proxies, and empower Central Provident Fund investors to attend and vote at general meetings of the Company as their Central Provident Fund agent banks' proxies.

Conduct of 2026 AGM

The Company will be holding a wholly physical AGM in 2026.

Provision 11.2

Separate Resolutions at General Meeting

The Board ensures that each distinct issue is proposed as a separate resolution at general meetings and resolutions are generally not "bundled" or made inter-conditional on each other. Where resolutions are "bundled", the reasons and material implications for doing so are set out in the notice calling the general meeting.

Corporate Governance

Provision 11.3

Interaction with Shareholders

The Directors attend all General Meetings of the Company to address issues raised by shareholders. The Company's external auditors are also present to assist the Board in addressing any relevant queries from shareholders. Appropriate key management personnel are also present at the general meetings to respond, if necessary, to operational questions from shareholders.

The attendance of Directors is set out on page 44 of this annual report.

Provision 11.5

Minutes of General Meetings

Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request.

Beginning from the 2020 AGM, the Company has published minutes of general meetings of shareholders on its corporate website and SGXNet as soon as practicable after the relevant general meeting. Such minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management, which are addressed at the general meeting.

Provision 11.6

Dividend Policy

The Company currently does not have a fixed dividend policy. The form, frequency and amount of future dividends that the Directors may recommend or declare in respect of any particular year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Directors:

- (a) the Company's financial position, results of operations and cash flow;
- (b) the ability of the subsidiaries to make dividend payments to the Company;
- (c) the expected working capital requirements to support the Group's future growth;
- (d) the ability to successfully implement the Group's future plans and business strategies;
- (e) the passage of new laws, adoption of new regulations or changes to, or in the interpretation or implementation of, existing laws and regulations governing the operations;
- (f) general economic conditions and other factors specific to the industry or specific projects; and
- (g) any other factors deemed relevant by the directors at the material time.

The Board intends to declare and distribute dividends of at least 50% of the Company's net profit after tax (excluding exceptional items) to its shareholders to reward Shareholders for participating in the Group's growth.

The proposed dividend payout for FY2025 would constitute approximately 78% of net profit after tax in FY2025, subject to shareholders' approval at the forthcoming annual general meeting.

Corporate Governance

12. ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1, 12.2 and 12.3

Communication with Shareholders

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNET. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable due to confidentiality reasons.

The Company does not practise preferential and selective disclosure to any group of shareholders. Where there is inadvertent disclosure made to a select group, the Company will endeavour to make the same disclosure publicly to all others promptly.

Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings. The members of the AC, NC and RC will be present at the general meetings to answer questions relating to matters overseen by the respective committees. To enhance and encourage communication with shareholders and investors, shareholders and investors can send their enquiries through email to the Company's investor relations at ir@hrnetgroup.com.

Investor Relations Policy

The Company has adopted an investor relations policy to formalise the principles and practices that the Company applies to provide current and prospective investors with information necessary to make well-informed investment decision and to ensure a level playing field.

The Investor Relations Policy is set out at our corporate website <https://hrnetgroup.listedcompany.com/>.

13. ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2

Relationship with Stakeholders

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, clients and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Stakeholders' Report is set out on page 24 of this Annual Report.

Provision 13.3

Communications with stakeholders

The Company's contact information is reflected on its current corporate website, to enable stakeholders to contact the Company.

Corporate Governance

OTHER CORPORATE GOVERNANCE MATTERS

DEALINGS IN SECURITIES OF THE COMPANY

In compliance with Rule 1207(19) the Listing Manual on dealings in securities, the Company has in place an Insider Trading Policy that provides guidance to employees with regards to dealings in its securities that would satisfy the Rule. Directors and employees of the Company are prohibited from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company shall not deal in and prohibits dealings in its shares by its Directors, officers and employees during the period commencing one month before the announcement of the Company's half year and full year financial statements respectively, and ending on the date of the announcement of the results.

All Directors are required to notify the Company of any dealings in the Company's securities (during the open window period) within two business days of the transactions. The Board is satisfied with the Group's commitment in compliance with the Code. The Company has complied with Rule 1207(19)(c).

MATERIAL CONTRACTS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, there are no material contracts of the Group involving the interests of a Director or controlling shareholder, either still subsisting at the end of FY2025 or if not then subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on half yearly basis to the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Details of the interested person transactions required to be disclosed under Rule 907 of the Listing Manual of the SGX-ST are as follows:

| Name of Interested Person Transaction | | Aggregate value of all interested person transactions in FY2025 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted in FY2025 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|--|---|---|--|
| RecruitFirst Limited, RecruitFirst Staffing Sdn Bhd and Octomate Staffing Pte Ltd ⁽¹⁾ | | S\$'000 | S\$'000 ⁽²⁾ |
| (a) | Working capital loan | 1,757 | N.A. |
| (b) | Provision of Management Services | 1,116 | N.A. |
| (c) | Provision of Recruitment or Software Services | 1 | N.A. |

Notes:

⁽¹⁾ Aviel Sim, who is one of the controlling shareholders, son of Peter Sim and brother of Adeline Sim, holds 20% of the equity interest in RecruitFirst Limited, RecruitFirst Staffing Sdn Bhd and Octomate Staffing Pte Ltd. Accordingly, RecruitFirst Limited, RecruitFirst Staffing Sdn Bhd and Octomate Staffing Pte Ltd are associates of Aviel Sim and interested person in relation to the Group.

⁽²⁾ The Group did not obtain a shareholders' mandate under Rule 920 of the Listing Manual.

Corporate Governance

USE OF IPO PROCEEDS

Pursuant to the Company's IPO, the Company received gross proceeds from the IPO of approximately S\$174.1 million, the utilisation of which as of 31 December 2025 is set out as below:

| | Amount utilised S\$ million |
|---|--------------------------------|
| Purchase of equity instrument designated at FVTOCI | 64.0 |
| Purchase of financial assets mandatorily measured at FVTPL | 39.3 |
| Start-up of subsidiaries | 11.1 |
| Acquisition and investment in subsidiaries | 10.1 |
| Acquisition of non-controlling interests in subsidiaries (Note 1) | 11.4 |
| IPO related expenses | 9.1 |
| | <u>145.0</u> |

Note 1: The Group acquired Co-Owners' interests in subsidiaries under the Co-Ownership framework upon resignation, cessation of active contributions, or stake paring, to preserve control, ensure business continuity, and facilitate stake allocation to incoming Co-Owners.

The amount represents cumulative considerations previously disclosed under Rule 706A, including FY2025 acquisitions totalling S\$3.67 million, which marked a significant step-change in scale.

These acquisitions are aligned with the stated use of IPO proceeds for business expansion and/or opportunistic acquisitions.

Corporate Governance

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION – APPENDIX 7.4.1 TO THE LISTING MANUAL

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the Company shall provide the information relating to the directors who are standing for re-election at the forthcoming annual general meeting as set out in Appendix 7.4.1 to the Listing Manual.

JS Sim, Albert Ellis and Esmond Choo are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 21 April 2026 under Ordinary Resolutions 4 to 7 respectively set out in the notice of annual general meeting dated 6 April 2026 (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to each Retiring Director as set out in Appendix 7.4.1 to the Listing Manual is set out below:

| Name of Directors | JS Sim | Albert Ellis | Esmond Choo |
|--|--|--|--|
| Date of first appointment | 21 September 2016 | 1 October 2022 | 1 May 2025 |
| Date of last re-Appointment | 25 April 2024 | 26 April 2023 | – |
| Age | 69 | 62 | 69 |
| Country of principal residence | Singapore | United Kingdom | Singapore |
| The Board’s comments on re- appointment | The Board concurs with the Nominating Committee’s views that JS Sim, being an Executive Director of the Group, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience and commitment in the discharge of his duties as the Executive Director of the Group & Chief Executive Officer of Recruit Express Pte Ltd. | The Board concurs with the Nominating Committee’s views that Albert Ellis, if re-elected, will continue to utilise his wealth of work experience as a CEO, which will be beneficial to the group. The Nominating Committee and Board recommend the re-appointment of Albert Ellis as the Independent Non-Executive Director of the Company. | The Board concurs with the Nominating Committee’s views that Esmond Choo, if re-elected, will continue to utilise his qualifications and work experience, which will be beneficial to the group. The Nominating Committee and Board recommend the re-appointment of Esmond Choo as the Independent Non-Executive Director of the Company. |
| Whether the appointment is executive, and if so, the area of responsibility | Executive. JS Sim is the Chief Executive Officer of Recruit Express, Recruit Express Services, Recruit Legal and SearchAsia (“Recruit Express Group”). | Non-Executive. | Non-Executive. |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | <ul style="list-style-type: none"> Executive Director | <ul style="list-style-type: none"> Independent Non-Executive Director | <ul style="list-style-type: none"> Independent Non-Executive Director Member of Remuneration Committee |

Corporate Governance

| Name of Directors | JS Sim | Albert Ellis | Esmond Choo |
|--|---|--|---|
| Professional qualifications | Bachelor of Science from the National University of Singapore | <ul style="list-style-type: none"> Chartered Accountant (Institute of Chartered Accountants in England & Wales and South African Institute of Chartered Accountants) Bachelor of Accounting (Business Finance) from University of Witwatersrand (Johannesburg) | <ul style="list-style-type: none"> Bachelor of Commerce (2nd Class Upper Honours) Degree, University of Melbourne Member of the Institute of Chartered Accountants of Australia and New Zealand (Retired) |
| Working experience and occupation(s) during the past 10 years | As CEO of Recruit Express Group, JS leads over 300 people across Singapore, Taipei, Hong Kong SAR and Kuala Lumpur in strategy and execution. | <p>Albert Ellis has 30 years of experience in the recruitment sector and is currently CEO of Staffline Group plc, the UK's market leading recruitment and training group that is listed on the AIM of the London Stock Exchange. Prior to joining Staff line, he was the CEO of global technology recruitment and IT outsourcing group Harvey Nash (Harvey Nash Group) for 15 years, where he was also previously CFO. Albert began his career in Hays plc, the UK's largest recruiter by market capitalisation.</p> <p>Most notably, he has led and executed growth strategies, acquisitions and disposals, turnarounds, multiple equity raisings and bank re-financings, for restructuring purposes and growth strategies.</p> | <ul style="list-style-type: none"> UOB Kay Hian Private Limited - Appointed Executive Director on 1 October 2001 and retired as Senior Executive Director on 31 March 2021 UOB-Kay Hian Holdings Limited - Appointed as Executive Director on 31 May 2006 and retired as Non-Executive and Non-Independent Director on 28 April 2022. |
| Shareholding interest in the listed issuer and its subsidiaries | Deemed interest in shares: 783,268,300 | Direct interest in shares: 216,570 | Direct interest in shares: 47,118 |
| Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | JS Sim is brother of Peter Sim, Founding Chairman and Executive Director of the Company. | No | No |
| Conflict of interest (including any competing business) | No | No | No |

Corporate Governance

| Name of Directors | JS Sim | Albert Ellis | Esmond Choo |
|--|--|---|---|
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes | Yes |
| Other Principal Commitments including Directorships | | | |
| Past (for the last 5 years) | Nil | <ul style="list-style-type: none"> Harvey Nash Group Plc Asia House | <ul style="list-style-type: none"> ST. Joseph's Institution International Ltd. ST. Joseph's Institution International Elementary School Ltd. UOB-Kay Hian Holdings Limited Seasure Insurance Pte. Ltd. UOB Kay Hian Credit (M) Sdn. Bhd. UOB Kay Hian Securities (M) Sdn. Bhd. PT UOB Kay Hian Sukuritas CSOP FTSE Indian Government Bond (Far) Index ETF VCC Singapore Eye Research Institute The Lasallian Trust of Singapore Ltd. |
| Present | <ul style="list-style-type: none"> HRnetGroup Limited's subsidiaries <ul style="list-style-type: none"> Recruit Express Pte. Ltd Recruit Express (Taiwan) Pte. Ltd. Recruit Express (Australia) Pte. Ltd. Recruit Express Services Pte. Ltd. Search Asia Consulting Pte. Ltd. Recruit Legal Pte. Ltd. REH Pte. Ltd. | <ul style="list-style-type: none"> HRnetGroup Limited Staffline Group Plc | <ul style="list-style-type: none"> HRnetGroup Limited Ho Bee Land Limited ECTerra Pyay Pte. Ltd. GMC268 Investment Limited ECTerra Agriculture Company Limited Sustainable Finance Institute Asia Limited CSOP Investments II VCC SPH Foundation Limited CSOP Investments III VCC ST. Joseph's Institution International Preschool Ltd. Arche Investment Holdings Pte. Ltd. Arche Asset Management Pte. Ltd. Asia Resource Corporation Pte Ltd GMC268 Investments Pte Ltd |

Corporate Governance

| Name of Directors | JS Sim | Albert Ellis | Esmond Choo |
|---|--------|--------------|--|
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No | No |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No | Yes The Monetary Authority of Singapore (MAS) imposed on UOB Kay Hian Private Limited (UOBKH) a composition penalty of \$375,000 for its failures to comply with business conduct and AML/CFT requirements. SGX RegCo imposed requirements on UOBKH in relation to IPO/RTO activities after considering the action taken by MAS. These requirements include not accepting new mandates to act as an issuer manager or full sponsor for SGX Mainboard/Catalist IPO and RTO submissions and certain requirements in relation to introducing activities as a full sponsor (Moratorium). SGX RegCo lifted the Moratorium on 17 October 2024. |
| (c) Whether there is any unsatisfied judgement against him? | No | No | No |

Corporate Governance

| Name of Directors | JS Sim | Albert Ellis | Esmond Choo |
|---|--------|--------------|-------------|
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No | No |
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No | No |
| (f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No | No |

Corporate Governance

| Name of Directors | JS Sim | Albert Ellis | Esmond Choo |
|---|--------|--------------|-------------|
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No | No |
| (i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No | No |

Directors' Statement

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2025.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 80 to 125 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debt when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

Sim Yong Siang
Sim Joo Siang
Sim Wei Ling, Adeline
Kang Ah Eng
Heng Su-Ling Mae
Sato Hiroshi
Pong Chen Yih
Albert George Hector Ellis
Esmond Choo Liong Gee (Appointed on 1 May 2025)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

Directors' Statement

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 except as follows:

| Name of directors and companies in which interests are held | Shareholdings registered in name of directors | | Shareholdings in which directors are deemed to have an interest | |
|---|--|----------------|---|----------------------------|
| | At beginning of year or at date of appointment, if later | | At beginning of year or at date of appointment, if later | |
| | At end of year | At end of year | At end of year | At end of year |
| The Company (Ordinary shares) | | | | |
| Sim Yong Siang | – | – | 783,268,300 ⁽¹⁾ | 783,268,300 ⁽¹⁾ |
| Sim Joo Siang | – | – | 783,268,300 ⁽¹⁾ | 783,268,300 ⁽¹⁾ |
| Sim Wei Ling, Adeline | 489,600 | 489,600 | 783,268,300 ⁽¹⁾ | 783,268,300 ⁽¹⁾ |
| Kang Ah Eng | 566,259 | 566,259 | – | – |
| Heng Su-Ling Mae | 53,607 | 162,185 | – | – |
| Pong Chen Yih | 46,777 | 116,577 | – | – |
| Albert George Hector Ellis | – | – | 111,432 | 181,232 |
| Esmond Choo Liong Gee | – | 11,780 | – | – |
| The ultimate holding company SIMCO Global Limited (Ordinary shares) | | | | |
| Sim Yong Siang | – | – | 2 ⁽¹⁾ | 2 ⁽¹⁾ |
| Sim Joo Siang | – | – | 2 ⁽¹⁾ | 2 ⁽¹⁾ |
| Sim Wei Ling, Adeline | – | – | 2 ⁽¹⁾ | 2 ⁽¹⁾ |
| The immediate holding company SIMCO Limited (Ordinary shares) | | | | |
| Sim Yong Siang | – | – | 100 ⁽¹⁾ | 100 ⁽¹⁾ |
| Sim Joo Siang | – | – | 100 ⁽¹⁾ | 100 ⁽¹⁾ |
| Sim Wei Ling, Adeline | – | – | 100 ⁽¹⁾ | 100 ⁽¹⁾ |

Notes:

⁽¹⁾ The directors' deemed interest in SIMCO Global Limited is through SIMCO Trust. SIMCO Trust is controlled by Mr Sim Joo Siang, Mr Sim Yong Siang and his spouse and the discretionary beneficiaries comprise Mr Sim Yong Siang and his spouse, Mr Sim Joo Siang and his spouse and Ms Sim Wei Ling, Adeline among other beneficial owners.

By virtue of section 7 of the Companies Act 1967, Mr Sim Yong Siang, Mr Sim Joo Siang and Ms Sim Wei Ling, Adeline are deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares of the Company at 21 January 2026 were the same at 31 December 2025.

Directors' Statement

4. SHARE OPTIONS

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5. AUDIT COMMITTEE

The Audit Committee of the Company, consisting of all non-executive directors, is chaired by Ms Heng Su-Ling Mae, an independent director, and includes Mr Sato Hiroshi and Mr Pong Chen Yih who are also independent directors. The Audit Committee has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- (a) The audit plans and results of the internal auditors' examination and evaluation of the Group's system of internal accounting controls;
- (b) The Group's financial and operating results and accounting policies;
- (c) The audit plans and results of the external auditors;
- (d) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;
- (e) The half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (f) The co-operation and assistance given by management to the Group's external auditors and internal auditors; and
- (g) The re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting of the Company.

Directors' Statement

6. AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Sim Yong Siang

Sim Joo Siang

18 March 2026

Independent Auditor's Report

To the members of HRnetGroup Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HRnetGroup Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 80 to 125.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How the matter was addressed in the audit |
|---|---|
| <p><u>Revenue recognition for professional recruitment and flexible staffing</u></p> <p>The Group recognised professional recruitment and flexible staffing revenue of \$56 million and \$524 million respectively for the year ended 31 December 2025.</p> <p>Revenue from professional recruitment is recognised at a point in time the permanent placement candidate signs the employment contract or commences full-time employment, depending on the terms of the contract. There is a risk that professional recruitment revenue is recognised for placements that did not occur. In addition, if the placement is not taken up by the candidate as agreed, it could result in the reversal of previously recorded revenue. There is also a risk that revenue is recognised before revenue recognition criteria are met, resulting in revenue being recognised in the incorrect period.</p> <p>Revenue for flexible staffing is recognised over time as the customer simultaneously receives and consumes the services the Group provides. There is a risk that flexible staffing revenue may be recognised prior to or after the contractor employee provides the service, resulting in revenue being recognised in the incorrect period.</p> <p>Refer to Note 2 for the relevant accounting policies.</p> | <p>Our procedures in relation to this key audit matter on revenue recognition included:</p> <ul style="list-style-type: none"> Obtained an understanding of the revenue processes, evaluated the design and implementation and tested the operating effectiveness of relevant controls relating to revenue recognition. Performed test of details on a sample of professional recruitment revenue to verify that the entity has satisfied the performance obligation demonstrated by the right to payment, evidenced by the candidate's commencement of work or signed letter of appointment between the candidate and the customer, as indicated in the terms of the contract. Performed cut off testing: (1) on a sample of professional recruitment revenue, verified that the candidate's date of work commencement or date of signed letter of appointment was in the current year; and (2) on a sample of flexible staffing revenue, verified that the revenue relates to service provided by the contractor employee in the current year. |

Independent Auditor's Report

To the members of HRnetGroup Limited

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

To the members of HRnetGroup Limited

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Seah Gek Choo.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

18 March 2026

Statements of Financial Position

As at 31 December 2025

| | Note | Group | | Company | |
|-----------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2025 \$'000 | 2024 \$'000 | 2025 \$'000 | 2024 \$'000 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 262,944 | 258,398 | 74,698 | 77,562 |
| Trade receivables | 7 | 93,872 | 93,298 | - | - |
| Other receivables and prepayments | 8 | 6,183 | 7,313 | 84,996 | 90,767 |
| Other assets | | 9,655 | 4,325 | 9,655 | 4,325 |
| Other financial assets | 9 | 73,658 | 68,745 | 43,895 | 29,358 |
| Total current assets | | 446,312 | 432,079 | 213,244 | 202,012 |
| Non-current assets | | | | | |
| Pledged deposits | 6 | 989 | 1,182 | - | - |
| Property, plant and equipment | 10 | 5,670 | 2,827 | - | - |
| Right-of-use assets | 11 | 13,767 | 12,920 | - | - |
| Other intangible assets | 12 | 1,455 | 1,622 | - | - |
| Other non-current assets | | - | 2,880 | - | - |
| Goodwill | 13 | 6,350 | 6,310 | - | - |
| Subsidiaries | 14 | - | - | 48,428 | 48,428 |
| Other financial assets | 9 | 26,502 | 19,748 | 24,901 | 18,147 |
| Deferred tax assets | 15 | 2,739 | 2,713 | - | - |
| Total non-current assets | | 57,472 | 50,202 | 73,329 | 66,575 |
| Total assets | | 503,784 | 482,281 | 286,573 | 268,587 |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities | | | | | |
| Trade payables | 16 | 9,348 | 9,623 | - | - |
| Other payables and accruals | 17 | 57,035 | 55,357 | 64,993 | 61,279 |
| Lease liabilities | 18 | 4,710 | 4,651 | - | - |
| Income tax payable | | 8,303 | 8,978 | 318 | 366 |
| Total current liabilities | | 79,396 | 78,609 | 65,311 | 61,645 |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | 15 | 306 | 437 | - | - |
| Lease liabilities | 18 | 10,003 | 9,057 | - | - |
| Total non-current liabilities | | 10,309 | 9,494 | - | - |

See accompanying notes to the financial statements.

Statements of Financial Position

As at 31 December 2025

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2025 \$'000 | 2024 \$'000 | 2025 \$'000 | 2024 \$'000 |
| Capital, reserves and non-controlling interests | | | | | |
| Share capital | 19 | 260,605 | 260,605 | 260,605 | 260,605 |
| Treasury shares | 19 | (16,136) | (22,690) | (16,136) | (22,690) |
| Equity reserve | 20 | (48,840) | (46,821) | (542) | (437) |
| Investments revaluation reserve | 21 | (44,974) | (51,448) | (44,974) | (51,448) |
| Translation reserve | 22 | (5,942) | (4,806) | - | - |
| Retained earnings | | 257,403 | 243,999 | 22,309 | 20,912 |
| Equity attributable to owners of the Company | | 402,116 | 378,839 | 221,262 | 206,942 |
| Non-controlling interests | | 11,963 | 15,339 | - | - |
| Total equity | | 414,079 | 394,178 | 221,262 | 206,942 |
| Total liabilities and equity | | 503,784 | 482,281 | 286,573 | 268,587 |

See accompanying notes to the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

| | Note | Group | |
|---|------|-----------|-----------|
| | | 2025 | 2024 |
| | | \$'000 | \$'000 |
| Revenue | 23 | 584,010 | 566,996 |
| Sub-contractor expenses | | (461,114) | (444,786) |
| Gross profit | | 122,896 | 122,210 |
| Other income, net | 24 | 22,313 | 15,444 |
| Selling, general, administrative and other expenses: | | | |
| Other employee benefit expenses | | (65,088) | (63,942) |
| Facilities and depreciation expenses | | (10,008) | (11,407) |
| Selling expenses | | (3,150) | (3,032) |
| Other expenses | | (3,657) | (2,647) |
| Finance costs | | (799) | (623) |
| Profit before income tax | | 62,507 | 56,003 |
| Income tax expense | 25 | (9,589) | (9,724) |
| Profit for the year | 26 | 52,918 | 46,279 |
| Other comprehensive loss: | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Net fair value gain on investments in equity instruments designated at FVTOCI | 21 | 6,474 | 212 |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translation of foreign operations | | (1,050) | (670) |
| Other comprehensive gain (loss) for the year, net of tax | | 5,424 | (458) |
| Total comprehensive income for the year | | 58,342 | 45,821 |
| Profit attributable to: | | | |
| Owners of the Company | | 51,190 | 44,518 |
| Non-controlling interests | | 1,728 | 1,761 |
| | | 52,918 | 46,279 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 56,544 | 44,096 |
| Non-controlling interests | | 1,798 | 1,725 |
| | | 58,342 | 45,821 |
| Basic and diluted earnings per share (cents) | 27 | 5.21 | 4.53 |

See accompanying notes to the financial statements.

Statement of Changes in Equity

Year ended 31 December 2025

| | Note | Share capital | Treasury shares | Equity reserve | Investments revaluation reserve | Translation reserve | Retained earnings | Equity attributable to owners of the Company | Non-controlling interests | Total equity |
|---|------|---------------|-----------------|----------------|---------------------------------|---------------------|-------------------|--|---------------------------|--------------|
| Group | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance as at 1 January 2024 | | 260,605 | (19,709) | (47,193) | (51,660) | (4,172) | 238,743 | 376,614 | 16,327 | 392,941 |
| <i>Total comprehensive income (loss) for the year</i> | | | | | | | | | | |
| Profit for the year | | - | - | - | - | - | 44,518 | 44,518 | 1,761 | 46,279 |
| Other comprehensive income (loss) for the year | | - | - | - | 212 | (634) | - | (422) | (36) | (458) |
| Total | | - | - | - | 212 | (634) | 44,518 | 44,096 | 1,725 | 45,821 |
| <i>Transactions with owners, recognised directly in equity</i> | | | | | | | | | | |
| Dividends | 28 | - | - | - | - | - | (39,255) | (39,255) | (1,548) | (40,803) |
| Purchase of treasury shares | 19 | - | (3,343) | - | - | - | - | (3,343) | - | (3,343) |
| Non-controlling interests arising from acquisition and capital contribution | | - | - | - | - | - | - | - | 468 | 468 |
| Treasury shares reissued pursuant to share-based payment expenses | 19 | - | 362 | - | - | - | (7) | 355 | - | 355 |
| Change in ownership interests in subsidiaries | 14 | - | - | 372 | - | - | - | 372 | (1,633) | (1,261) |
| Total | | - | (2,981) | 372 | - | - | (39,262) | (41,871) | (2,713) | (44,584) |
| Balance as at 31 December 2024 | | 260,605 | (22,690) | (46,821) | (51,448) | (4,806) | 243,999 | 378,839 | 15,339 | 394,178 |
| <i>Total comprehensive income (loss) for the year</i> | | | | | | | | | | |
| Profit for the year | | - | - | - | - | - | 51,190 | 51,190 | 1,728 | 52,918 |
| Other comprehensive income (loss) for the year | | - | - | - | 6,474 | (1,120) | - | 5,354 | 70 | 5,424 |
| Total | | - | - | - | 6,474 | (1,120) | 51,190 | 56,544 | 1,798 | 58,342 |
| <i>Transactions with owners, recognised directly in equity</i> | | | | | | | | | | |
| Dividends | 28 | - | - | - | - | - | (40,435) | (40,435) | (1,307) | (41,742) |
| Purchase of treasury shares | 19 | - | (891) | - | - | - | - | (891) | - | (891) |
| Capital contribution by non-controlling shareholders | | - | - | - | - | - | - | - | 231 | 231 |
| Transactions with non-controlling shareholders | | - | - | (1,446) | - | (16) | 2,657 | 1,195 | (1,195) | - |
| Treasury shares reissued pursuant to share-based payment expenses | 19 | - | 213 | - | - | - | (8) | 205 | - | 205 |
| Sale of treasury shares | 19 | - | 7,232 | (105) | - | - | - | 7,127 | - | 7,127 |
| Change in ownership interests in subsidiaries | 14 | - | - | (468) | - | - | - | (468) | (2,903) | (3,371) |
| Total | | - | 6,554 | (2,019) | - | (16) | (37,786) | (33,267) | (5,174) | (38,441) |
| Balance as at 31 December 2025 | | 260,605 | (16,136) | (48,840) | (44,974) | (5,942) | 257,403 | 402,116 | 11,963 | 414,079 |

See accompanying notes to the financial statements.

Statement of Changes in Equity

Year ended 31 December 2025

| | Note | Share capital | Treasury shares | Equity reserve | Investments revaluation reserve | Retained earnings | Total equity |
|---|------|---------------|-----------------|----------------|---------------------------------|-------------------|---------------|
| Company | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance as at 1 January 2024 | | 260,605 | (19,709) | (437) | (51,660) | 22,133 | 210,932 |
| <i>Total comprehensive income for the year</i> | | | | | | | |
| Profit for the year | | - | - | - | - | 38,041 | 38,041 |
| Other comprehensive income for the year | | - | - | - | 212 | - | 212 |
| Total | | - | - | - | 212 | 38,041 | 38,253 |
| <i>Transactions with owners, recognised directly in equity</i> | | | | | | | |
| Dividends | 28 | - | - | - | - | (39,255) | (39,255) |
| Purchase of treasury shares | 19 | - | (3,343) | - | - | - | (3,343) |
| Treasury shares reissued pursuant to share-based payment expenses | 19 | - | 362 | - | - | (7) | 355 |
| Total | | - | (2,981) | - | - | (39,262) | (42,243) |
| Balance as at 31 December 2024 | | 260,605 | (22,690) | (437) | (51,448) | 20,912 | 206,942 |

| | Note | Share capital | Treasury shares | Equity reserve | Investments revaluation reserve | Retained earnings | Total equity |
|---|------|---------------|-----------------|----------------|---------------------------------|-------------------|---------------|
| Company | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance as at 1 January 2025 | | 260,605 | (22,690) | (437) | (51,448) | 20,912 | 206,942 |
| <i>Total comprehensive income for the year</i> | | | | | | | |
| Profit for the year | | - | - | - | - | 41,840 | 41,840 |
| Other comprehensive income for the year | | - | - | - | 6,474 | - | 6,474 |
| Total | | - | - | - | 6,474 | 41,840 | 48,314 |
| <i>Transactions with owners, recognised directly in equity</i> | | | | | | | |
| Dividends | 28 | - | - | - | - | (40,435) | (40,435) |
| Purchase of treasury shares | 19 | - | (891) | - | - | - | (891) |
| Treasury shares reissued pursuant to share-based payment expenses | 19 | - | 213 | - | - | (8) | 205 |
| Sale of Treasury shares | 19 | - | 7,232 | (105) | - | - | 7,127 |
| Total | | - | 6,554 | (105) | - | (40,443) | (33,994) |
| Balance as at 31 December 2025 | | 260,605 | (16,136) | (542) | (44,974) | 22,309 | 221,262 |

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

| | Group | |
|--|-----------|----------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Operating activities | | |
| Profit before income tax | 62,507 | 56,003 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 1,075 | 1,043 |
| Depreciation of right-of-use assets | 5,128 | 6,244 |
| Amortisation of intangible assets | 672 | 519 |
| Gain on lease modification | (10) | (4) |
| Interest income | (5,343) | (8,012) |
| Finance costs | 799 | 623 |
| Dividend income | (586) | (914) |
| Share-based payment expenses | 205 | 355 |
| Loss on disposal of plant and equipment | - | 8 |
| Gain on disposal of investments | (837) | (83) |
| Net fair value (gain) loss on financial assets mandatorily measured at FVTPL | (2,545) | 4,311 |
| Net fair value gain on other assets | (3,420) | (997) |
| Allowance for doubtful receivables | 100 | 60 |
| Operating cash flows before movements in working capital | 57,745 | 59,156 |
| Trade receivables | (666) | 1,149 |
| Other receivables and prepayments | 2,983 | (2,875) |
| Trade payables | (280) | 835 |
| Other payables and accruals | 1,635 | (2,096) |
| Cash generated from operations | 61,417 | 56,169 |
| Interest received | 6,283 | 7,553 |
| Interest paid | (689) | (623) |
| Income tax paid | (10,535) | (11,498) |
| Net cash from operating activities | 56,476 | 51,601 |
| Investing activities | | |
| Dividends received | 693 | 894 |
| Purchase of property, plant and equipment and intangible assets | (4,473) | (2,173) |
| Proceeds from disposal of plant and equipment | - | 3 |
| Purchase of financial assets mandatorily measured at FVTPL | (66,579) | (60,968) |
| Proceeds from disposal of financial assets mandatorily measured at FVTPL | 43,461 | 78,601 |
| Purchase of financial asset measured at amortised cost | (100,429) | (92,255) |
| Proceeds from disposal of financial assets measured at amortised cost | 121,735 | 63,140 |
| Purchase of other assets | (1,910) | - |
| Net cash used in investing activities | (7,502) | (12,758) |

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

| | Group | |
|---|----------------|----------------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Financing activities | | |
| Dividends paid to non-controlling shareholders | (1,525) | (1,749) |
| Dividends paid | (40,435) | (39,255) |
| Net withdrawal of pledged deposits | 196 | 27 |
| Purchase of treasury shares | (891) | (3,343) |
| Proceeds from sale of treasury shares | 7,127 | - |
| Capital contributions by non-controlling shareholders in subsidiaries | 191 | 21 |
| Change in ownership interests in subsidiaries | (3,333) | (1,305) |
| Repayment of lease liabilities | (4,931) | (5,866) |
| Net cash used in financing activities | (43,601) | (51,470) |
| Net increase (decrease) in cash and cash equivalents | 5,373 | (12,627) |
| Cash and cash equivalents at beginning of the year | 258,398 | 271,586 |
| Effect of foreign exchange rate changes | (827) | (561) |
| Cash and cash equivalents at end of the year (Note 6) | 262,944 | 258,398 |

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

| | Non-cash changes | | | | | 31 December 2025 |
|-------------------|------------------|-------------------------------------|-----------------------|---------------------|----------------------------|------------------|
| | 1 January 2025 | Financing cash flows ⁽ⁱ⁾ | New lease liabilities | Lease modifications | Foreign exchange movements | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Lease liabilities | 13,708 | (4,931) | 347 | 5,999 | (410) | 14,713 |

| | Non-cash changes | | | | | 31 December 2024 |
|-------------------|------------------|-------------------------------------|-----------------------|---------------------|----------------------------|------------------|
| | 1 January 2024 | Financing cash flows ⁽ⁱ⁾ | New lease liabilities | Lease modifications | Foreign exchange movements | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Lease liabilities | 10,544 | (5,866) | 6,754 | 2,279 | (3) | 13,708 |

⁽ⁱ⁾ The cash flows represent repayments of lease liabilities in the consolidated statement of cash flows.

See accompanying notes to the financial statements.

Notes to The Financial Statements

Year ended 31 December 2025

1 GENERAL

HRnetGroup Limited (the “Company”) (Registration No.201625854G) is incorporated in Singapore with its principal place of business and registered office at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the significant subsidiaries are disclosed in Note 14 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 18 March 2026.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information below, and are drawn up in accordance with the provisions of the Companies Act 1967 and SFRS(I)s.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - The Group and the Company have applied all the new and revised SFRS(I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity via equity reserve and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investment in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I)s are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income ("FVTOCI") criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "other income" line item.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

Equity instruments designated at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Group has designated investments in equity instruments that are not held for trading at FVTOCI on initial application of SFRS(I) 9 *Financial Instruments* (see Note 9).

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination at FVTOCI on initial recognition.
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other income" line item (Note 24). Fair value is determined in the manner described in Note 4(b)(vii).

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other expenses” line item; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other expenses” line item.
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on trade and other receivables. No impairment loss is recognised for investments in equity and debt instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12m ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (“GDP”), the future prospects of the industries in which the Group’s debtors operate and the forecast economic information that relate to the Group’s operations to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Significant increase in credit risk (cont'd)

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets (cont'd)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the other expenses line item in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

LEASES - The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentive.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

| | | |
|------------------------|---|---------------|
| Leasehold buildings | - | 30 years |
| Furniture and fittings | - | 1 to 6 years |
| Office equipment | - | 1 to 5 years |
| Renovation | - | 2 to 7 years |
| Computers and systems | - | 1 to 10 years |

The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the consolidated financial statements.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

INTANGIBLE ASSETS - Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives as below:

| | | |
|-----------------------|---|--------------|
| Computer software | - | 3 to 5 years |
| Customer relationship | - | 8 years |

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indicator that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systemic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - The Group recognises revenue from the sales of services by contractor employees to customers ("flexible staffing" revenue) and the recruitment of permanent employees for our customers ("professional recruitment" revenue).

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when the promised services is rendered to the customer. The Group has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the promised services before transferring them to the customer.

The average credit period for the rendering of services is 7 to 60 days. Management does not assess whether a contract has a significant financing component if the expectation at contract inception is that the period between payment by the customer and the transfer of the services to the customer will be less than one year. The Group does not have any significant financing components or extended payment terms.

Flexible staffing

Flexible staffing contracts are short-term in nature. Billings are generally negotiated and invoiced on a monthly basis as the flexible staffing services are rendered to the customer. Revenue from the majority of the flexible staffing services continues to be recognised over time as the customer simultaneously receives and consumes the services the Group provides. The Group has applied the practical expedient to recognise revenue for these services over the term of the agreement in proportion to the amount the Group has the right to invoice the customer.

Professional recruitment

Revenue from professional recruitment is recognised at a point in time the permanent placement candidate signs the employment contract or commences full-time employment, depending on the terms of the contract. The point of recognition is dependent on the terms of the contract of when the Group becomes entitled to invoice customers for the services rendered. The right to bill the customer signify when the point that the customer considers the service has been rendered.

Revenue from other fee-based services, such as our provision of payroll services, is recognised when the services are provided.

SUB-CONTRACTOR EXPENSES - Sub-contractor expenses are costs directly associated with the earning of revenue which primarily consists of payroll cost of contractor employees.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Current and deferred tax are recognised as an expense or income in profit or loss, except where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Singapore dollars using exchange rates prevailing on the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Notes to The Financial Statements

Year ended 31 December 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents comprise cash on hand, bank balances and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to The Financial Statements

Year ended 31 December 2025

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | |
| Financial assets at amortised cost | 394,098 | 411,562 | 161,591 | 181,904 |
| Financial assets mandatorily measured at FVTPL | 49,589 | 23,089 | 47,988 | 21,488 |
| Financial assets designated at FVTOCI | 18,908 | 12,435 | 18,908 | 12,435 |
| | <u>462,595</u> | <u>447,086</u> | <u>228,487</u> | <u>215,827</u> |
| Financial liabilities | | | | |
| Financial liabilities at amortised cost | 52,835 | 51,865 | 64,993 | 61,279 |
| Lease liabilities | 14,713 | 13,708 | - | - |
| | <u>67,548</u> | <u>65,573</u> | <u>64,993</u> | <u>61,279</u> |

(b) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks. The Group does not hold or issue derivative financial instruments for hedging and speculative purposes.

(i) Foreign exchange risk management

Foreign exchange risk occurs as a result of the Group's transactions that are not denominated in their respective functional currencies. These transactions arise from the Group's ordinary course of business.

The Group's foreign currency exposures arise mainly from the exchange rate movements of the Singapore dollar, United States dollar, Japanese yen, Great British pound, Hong Kong dollar and Chinese yuan against the functional currencies of the respective Group entities.

At the reporting date, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

| Group | Assets | | Liabilities | |
|----------------------|--------|--------|-------------|--------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Singapore dollar | 2,488 | 3,124 | - | - |
| United States dollar | 2,916 | 2,665 | - | (25) |
| Japanese yen | 6,115 | 13,793 | - | - |
| Great British pound | 19,459 | 10,135 | - | (17) |
| Hong Kong dollar | 5,466 | 6,635 | - | - |

Notes to The Financial Statements

Year ended 31 December 2025

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

| | Assets | | Liabilities | |
|----------------------|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| Company | \$'000 | \$'000 | \$'000 | \$'000 |
| United States dollar | 1,601 | 1,659 | - | - |
| Japanese yen | 6,115 | 13,793 | - | - |
| Great British pound | 19,459 | 10,135 | - | (17) |
| Hong Kong dollar | 5,085 | 6,526 | - | - |

The Group has a number of direct foreign investments, whose net assets are exposed to currency translation risk. Exposures to foreign currency risks are managed as far as possible by natural hedges of matching assets and liabilities and management reviews periodically that the net exposure is kept at an acceptable level.

Foreign currency sensitivity analysis

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, profit before tax will increase by:

| | Group | | Company | |
|----------------------|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Singapore dollar | 249 | 312 | - | - |
| United States dollar | 292 | 264 | 160 | 166 |
| Japanese yen | 612 | 1,379 | 612 | 1,379 |
| Great British pound | 1,946 | 1,012 | 1,946 | 1,012 |
| Hong Kong dollar | 547 | 663 | 509 | 653 |

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit before tax will decrease by the same amount.

10% represents management's assessment of the possible change in foreign exchange rates. This sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 10% change in foreign currency rates.

(ii) Interest rate risk management

Interest rate risk refers to changes in market interest rates which would have an impact on the interest income from cash and bank balances of the Group. The Group's exposure to interest rate risk relates primarily to the amounts held in bank deposits and investments in quoted debt securities, however, such impact is not expected to be significant.

(iii) Equity price risk management

The Group is exposed to equity risk arising from equity investments classified at FVTPL and at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

Further details of these equity investments can be found in Note 9.

Notes to The Financial Statements

Year ended 31 December 2025

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iii) Equity price risk management

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of equity investments at FVTOCI, if equity prices had been 10% higher/lower, the Group's investments revaluation reserve would increase/decrease by \$1.9 million (2024 : \$1.2 million).

In respect of equity investments at FVTPL, if equity prices had been 10% higher/lower, the Group's profit before tax for the year ended 31 December 2025 would increase/decrease by \$1.2 million (2024 : \$1.7 million).

(iv) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group's current credit risk grading framework comprises the following categories:

| Category | Description | Basis for recognising expected credit losses ("ECL") |
|------------|---|--|
| Performing | The counterparty has a low risk of default and does not have any past-due amounts. | 12-month ECL |
| Doubtful | Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition. | Lifetime ECL - not credit-impaired |
| In default | Amount is >90 days past due or there is evidence indicating the asset is credit-impaired. | Lifetime ECL - credit-impaired |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery. | Amount is written off |

Notes to The Financial Statements

Year ended 31 December 2025

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Overview of the Group's exposure to credit risk (cont'd)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

| | Note | Internal credit rating | 12-month or lifetime ECL | Gross carrying amount \$'000 | Loss allowance \$'000 | Net carrying amount \$'000 |
|-------------------|------|------------------------|------------------------------------|---------------------------------|--------------------------|-------------------------------|
| Group | | | | | | |
| 2025 | | | | | | |
| Trade receivables | 7 | (i) | Lifetime ECL (simplified approach) | 93,976 | (104) | 93,872 |
| Other receivables | 8 | Performing | 12-month ECL | 4,634 | <u>–</u> <u>(104)</u> | 4,634 |
| 2024 | | | | | | |
| Trade receivables | 7 | (i) | Lifetime ECL (simplified approach) | 93,331 | (33) | 93,298 |
| Other receivables | 8 | Performing | 12-month ECL | 5,715 | <u>–</u> <u>(33)</u> | 5,715 |
| Company | | | | | | |
| 2025 | | | | | | |
| Other receivables | 8 | Performing | 12-month ECL | 84,992 | <u>–</u> | 84,992 |
| 2024 | | | | | | |
| Other receivables | 8 | Performing | 12-month ECL | 90,761 | <u>–</u> | 90,761 |

- (i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 7 include further details on the loss allowance for trade receivables.

The carrying amount of the Group's financial assets at FVTPL as disclosed in Note 9 best represents their respective maximum exposure to credit risk. The Group holds no collateral over any of these balances.

Notes to The Financial Statements

Year ended 31 December 2025

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives (cont'd)*

(v) Credit risk management

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a mean of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers to assess the credit ratings of its counterparties. The Group's exposure and the credit ratings of its counterparties are monitored continuously and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit approvals and other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the financial year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(vi) Liquidity risk management

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

All financial assets and liabilities as at 31 December 2025 and 2024, except for the fixed deposits as disclosed in Note 6, the debt and equity securities as disclosed in Note 9 and the lease liabilities as disclosed in Note 18, are interest-free and are repayable on demand or due within 1 year from the end of the reporting period.

(vii) Fair value of financial assets and financial liabilities

Some of the Group's financial assets are measured at fair value as at the end of the reporting period.

Notes to The Financial Statements

Year ended 31 December 2025

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(vii) Fair value of financial assets and financial liabilities (cont'd)

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

| Financial assets / financial liabilities | Group | | Company | | Fair value hierarchy | Valuation technique(s) and input(s) | Significant unobservable input(s) | Relationship of unobservable inputs to fair value |
|--|---------------------------|--------|---------|--------|----------------------|---|-----------------------------------|---|
| | Fair value as at (\$'000) | | | | | | | |
| | 2025 | 2024 | 2025 | 2024 | | | | |
| <i>Financial assets mandatorily measured at fair value through profit or loss (see Note 9)</i> | | | | | | | | |
| 1) Quoted equity securities | 9,899 | 15,776 | 9,899 | 15,776 | Level 1 | Quoted bid prices in an active market. | N.A. | N.A. |
| 2) Quoted debt securities | 5,993 | 5,712 | 5,993 | 5,712 | Level 1 | Quoted bid prices in an active market. | N.A. | N.A. |
| 3) Unquoted equity security | 1,601 | 1,601 | - | - | Level 2 | Unquoted bid prices in markets that are not active. | N.A. | N.A. |
| 4) Unquoted debt securities | 31,056 | - | 31,056 | - | Level 2 | Unquoted bid prices in markets that are not active. | N.A. | N.A. |
| 5) Commodity-linked financial assets | 1,040 | - | 1,040 | - | Level 1 | Quoted bid prices in an active market. | N.A. | N.A. |
| <i>Financial assets designated at fair value through other comprehensive income (see Note 9)</i> | | | | | | | | |
| 6) Quoted equity securities | 18,908 | 12,435 | 18,908 | 12,435 | Level 1 | Quoted bid prices in an active market. | N.A. | N.A. |

There were no other transfers between Level 1, 2 and 3 in the period. The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of financial assets and liabilities at amortised cost on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital management policies and objectives

The Group reviews its capital structure annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings. The Group's overall strategy remains unchanged from prior year.

Notes to The Financial Statements

Year ended 31 December 2025

5 HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The immediate and ultimate holding companies of the Company are SIMCO Ltd, incorporated in the British Virgin Islands and SIMCO Global Ltd, incorporated in the Bahamas respectively. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

| | Group | |
|--------------------------|--------|--------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Short-term benefits | 2,709 | 2,760 |
| Share-based payments | 206 | 163 |
| Post-retirement benefits | 103 | 107 |
| | 3,018 | 3,030 |

6 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

| | Group | | Company | |
|--|---------|---------|---------|--------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash and bank balances | 108,717 | 86,106 | 5,316 | 11,556 |
| Fixed and structured deposits | 150,433 | 168,515 | 69,382 | 66,006 |
| Restricted cash | 3,794 | 3,778 | - | - |
| Cash and cash equivalents in the statement of cash flows | 262,944 | 258,398 | 74,698 | 77,562 |
| Pledged deposits | 989 | 1,182 | - | - |

Fixed and structured deposits bore a weighted average effective interest rate of 1.37% (2024 : 2.89%) per annum and for a tenure of 1 month to 12 months (2024 : 1 month to 12 months).

Investments in money market funds of \$12,066,000 (2024 : \$Nil) are recognised under cash at banks of the Group as cash equivalents, due to their first-class rating and investment in short-term money market securities, undergo only minor value fluctuations and can be readily converted into known amounts of cash.

Restricted cash relates to deposit placed by customers and can only be utilised for specified payment.

Pledged deposits act as a security for bank guarantees issued in the normal course of business.

Notes to The Financial Statements

Year ended 31 December 2025

7 TRADE RECEIVABLES

| | Group | |
|-----------------|--------|--------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Outside parties | 93,976 | 93,331 |
| Loss allowance | (104) | (33) |
| | 93,872 | 93,298 |

The average credit period for the rendering of services is 7 to 60 days (2024 : 7 to 60 days). Interest is chargeable on certain overdue trade receivables.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. The expected credit loss rate is approximately 0% for trade receivables outstanding for less than 90 days and for trade receivables past due for more than 90 days, the Group has recognised a loss allowance of 100%, except for the adjustment to factors that are specific to the debtors, because historical experience has indicated that these receivables are generally not recoverable. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

| | Group | | | | | Total |
|--|-----------------------------------|-----------|---------------|---------------|-----------|--------|
| | Trade receivables - days past due | | | | | |
| | Not past due | ≤ 30 days | 31 to 60 days | 61 to 90 days | > 90 days | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2025 | | | | | | |
| Estimated total gross carrying amount at default | 61,414 | 22,304 | 7,357 | 1,687 | 1,214 | 93,976 |
| Lifetime ECL | - | - | - | - | (104) | (104) |
| | | | | | | 93,872 |
| 2024 | | | | | | |
| Estimated total gross carrying amount at default | 62,423 | 20,521 | 7,422 | 2,344 | 621 | 93,331 |
| Lifetime ECL | - | - | - | - | (33) | (33) |
| | | | | | | 93,298 |

Notes to The Financial Statements

Year ended 31 December 2025

7 TRADE RECEIVABLES (cont'd)

The table below shows the movement in lifetime ECL - credit impaired that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

| | Group |
|---|---------------|
| | \$'000 |
| Balance as at 1 January 2024 | 65 |
| Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement | 60 |
| Amounts written off | (93) |
| Exchange realignment | 1 |
| Balance as at 31 December 2024 | 33 |
| Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement | 100 |
| Amounts written off | (20) |
| Exchange realignment | (9) |
| Balance as at 31 December 2025 | 104 |

As at 1 January 2024, trade receivables, accrued revenue and advance billings from contracts with customers amounted to \$94,490,000 (net of loss allowance - \$65,000), \$896,000 (Note 8) and \$4,063,000 (Note 17) respectively. Advance billings are recognised as revenue when the Group performs under the contract within 12 months subsequent to year end.

8 OTHER RECEIVABLES AND PREPAYMENTS

| | Group | | Company | |
|---|---------------|---------------|----------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Deposits | 2,071 | 2,532 | - | - |
| Prepayments | 1,549 | 1,598 | 3 | 6 |
| Other receivables due from subsidiaries | - | - | 84,364 | 89,744 |
| Interest receivable | 951 | 1,891 | 570 | 877 |
| Dividend receivable | 52 | 140 | 52 | 140 |
| Accrued revenue | 1,450 | 985 | - | - |
| Others | 110 | 167 | 7 | - |
| | 6,183 | 7,313 | 84,996 | 90,767 |

The amount due from subsidiaries are unsecured, interest-free and repayable on demand.

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

Notes to The Financial Statements

Year ended 31 December 2025

9 OTHER FINANCIAL ASSETS

| | Group | | Company | |
|---|---------|--------|---------|--------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets mandatorily measured at FVTPL: | | | | |
| Held-for-trading non-derivative financial assets | | | | |
| - quoted equity securities (current) | 9,899 | 15,776 | 9,899 | 15,776 |
| - unquoted debt security (current) | 31,056 | - | 31,056 | - |
| - commodity-linked financial assets (current) | 1,040 | - | 1,040 | - |
| - quoted debt securities (non-current) | 5,993 | 5,712 | 5,993 | 5,712 |
| - unquoted equity security (non-current) | 1,601 | 1,601 | - | - |
| | 49,589 | 23,089 | 47,988 | 21,488 |
| Financial assets at FVTOCI: | | | | |
| Investments in equity instruments designated at FVTOCI | | | | |
| - quoted equity securities (non-current) | 18,908 | 12,435 | 18,908 | 12,435 |
| Financial asset measured at amortised costs: | | | | |
| Investment in debt security designated at amortised costs | | | | |
| - unquoted debt security (current) | 31,663 | 52,969 | 1,900 | 13,582 |
| Total other financial assets (current) | 73,658 | 68,745 | 43,895 | 29,358 |
| Total other financial assets (non-current) | 26,502 | 19,748 | 24,901 | 18,147 |
| Total other financial assets | 100,160 | 88,493 | 68,796 | 47,505 |

Financial assets mandatorily measured at FVTPL

The investments above include investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

In 2025, the investment in unquoted debt security comprises Credit Linked Notes ("CLN") issued by a bank with good credit rating with effective yield ranging from 1.33% - 1.86%. The Group subscribed to the CLN at market price and the CLN will be redeemable at face value upon maturity within a year, in 2026. CLN held by the Group are within a business model with the objective of realising cash flows through the sale of the asset with collection of contractual cash flows incidental to it, hence classified as at FVTPL.

In 2025, the investments include a commodity-linked financial instrument referencing the price of Gold (XAU). They have no fixed maturity or coupon rate. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

The investments in quoted debt securities include 2 quoted corporate bonds (2024 : 2) that are paying 3.30% and 2.19% of interest per annum respectively. One of the bonds is a perpetual bond while another will mature in October 2036. The corporate bonds are held by the Group within a business model with the objective of realising cash flows through the sale of the assets with collection of contractual cash flows incidental to it, hence classified as at FVTPL.

Unquoted equity security comprises venture capital investment in 1 entity (2024 : 1) which represents less than 20% shareholdings in the entity. The investment is measured at fair value through profit or loss in accordance with SFRS(I) 9 *Financial Instruments*, as it represents an investment which the Group manages together with an intention of profit taking when the opportunity arises.

Notes to The Financial Statements

Year ended 31 December 2025

9 OTHER FINANCIAL ASSETS (cont'd)

Investments in equity instruments designated at FVTOCI

The investments in quoted equity securities offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

No investment in equity investments designated at FVTOCI has been disposed of during the current reporting period.

Financial asset measured at amortised costs

The investment in unquoted debt security refers to investment in short-term Singapore Government Securities ("SGS") issued by the Monetary Authority of Singapore at discount yields ranging from 1.32% to 1.77% (2024 : 2.93% to 3.60%) to their face value and will be redeemed upon maturity within a year. SGS held by the Group is within a business model whose objective is to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence, it is classified as at amortised cost.

For the purposes of impairment assessment, financial asset measured at amortised costs is considered to have low credit risk as the counterparty to the investment has a AAA credit rating. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these assets, management has taken into account the various external sources of economic data and credit rating by international credit rating agencies in estimating the probability of default of each of the financial asset occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Notes to The Financial Statements

Year ended 31 December 2025

10 PROPERTY, PLANT AND EQUIPMENT

| Group | Furniture and fittings \$'000 | Office equipment \$'000 | Renovation \$'000 | Computers and systems \$'000 | Leasehold building | Total \$'000 |
|---------------------------|-------------------------------------|-------------------------------|----------------------|---------------------------------------|-----------------------|-----------------|
| Cost: | | | | | | |
| At 1 January 2024 | 612 | 782 | 7,150 | 4,383 | – | 12,927 |
| Additions | 68 | 53 | 1,377 | 280 | – | 1,778 |
| Exchange realignment | 1 | (1) | 4 | (1) | – | 3 |
| Disposals | (138) | (69) | (2,613) | (1,367) | – | (4,187) |
| At 31 December 2024 | 543 | 765 | 5,918 | 3,295 | – | 10,521 |
| Additions | 96 | 54 | 639 | 395 | 2,784 | 3,968 |
| Exchange realignment | (3) | (8) | (94) | (45) | – | (150) |
| Disposals | (23) | (67) | (389) | (129) | – | (608) |
| At 31 December 2025 | 613 | 744 | 6,074 | 3,516 | 2,784 | 13,731 |
| Accumulated depreciation: | | | | | | |
| At 1 January 2024 | (531) | (572) | (5,750) | (3,969) | – | (10,822) |
| Depreciation for the year | (35) | (124) | (547) | (337) | – | (1,043) |
| Exchange realignment | – | – | (2) | (3) | – | (5) |
| Disposals | 138 | 69 | 2,604 | 1,365 | – | 4,176 |
| At 31 December 2024 | (428) | (627) | (3,695) | (2,944) | – | (7,694) |
| Depreciation for the year | (55) | (127) | (530) | (316) | (47) | (1,075) |
| Exchange realignment | 4 | 9 | 46 | 41 | – | 100 |
| Disposals | 23 | 67 | 389 | 129 | – | 608 |
| At 31 December 2025 | (456) | (678) | (3,790) | (3,090) | (47) | (8,061) |
| Carrying amount: | | | | | | |
| At 31 December 2024 | 115 | 138 | 2,223 | 351 | – | 2,827 |
| At 31 December 2025 | 157 | 66 | 2,284 | 426 | 2,737 | 5,670 |

Notes to The Financial Statements

Year ended 31 December 2025

11 RIGHT-OF-USE ASSETS

The Group leases office premises. The lease term ranges from 1 year to 7 years (2024 : 1 year to 7 years).

| Group | Office premises |
|---------------------------|------------------------|
| | \$'000 |
| Cost: | |
| At 1 January 2024 | 38,158 |
| Additions | 6,754 |
| Lease modifications | 2,059 |
| Exchange realignment | 8 |
| Derecognition | (12,659) |
| At 31 December 2024 | 34,320 |
| Additions | 347 |
| Lease modifications | 5,157 |
| Exchange realignment | (650) |
| Derecognition | (2,940) |
| At 31 December 2025 | 36,234 |
| Accumulated depreciation: | |
| At 1 January 2024 | (28,028) |
| Depreciation for the year | (6,244) |
| Lease modifications | 220 |
| Exchange realignment | (7) |
| Derecognition | 12,659 |
| At 31 December 2024 | (21,400) |
| Depreciation for the year | (5,128) |
| Lease modifications | 852 |
| Exchange realignment | 269 |
| Derecognition | 2,940 |
| At 31 December 2025 | (22,467) |
| Carrying amount: | |
| At 31 December 2024 | 12,920 |
| At 31 December 2025 | 13,767 |

The Group has leases for office premises which expired in the current financial year. The expired contracts were extended through exercising the extension options or replaced by new leases. These resulted in additions and lease modifications to right-of-use assets of \$6.4 million (2024 : \$9.0 million).

Notes to The Financial Statements

Year ended 31 December 2025

12 OTHER INTANGIBLE ASSETS

The amortisation expense has been included in the line item “facilities and depreciation expense” in profit or loss.

| Group | Computer software | Customer relationship | Total |
|---------------------------|--------------------------|------------------------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Cost: | | | |
| At 1 January 2024 | 3,551 | 1,362 | 4,913 |
| Additions | 395 | – | 395 |
| Disposals | (52) | – | (52) |
| At 31 December 2024 | 3,894 | 1,362 | 5,256 |
| Additions | 505 | – | 505 |
| At 31 December 2025 | 4,399 | 1,362 | 5,761 |
| Accumulated amortisation: | | | |
| At 1 January 2024 | (2,259) | (908) | (3,167) |
| Amortisation for the year | (394) | (170) | (519) |
| Disposals | 52 | – | 52 |
| At 31 December 2024 | (2,556) | (1,078) | (3,634) |
| Amortisation for the year | (502) | (170) | (672) |
| At 31 December 2025 | (3,058) | (1,248) | (4,306) |
| Carrying amount: | | | |
| At 31 December 2024 | 1,338 | 284 | 1,622 |
| At 31 December 2025 | 1,341 | 114 | 1,455 |

13 GOODWILL

| | Group | |
|--|---------------|---------------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Cost representing carrying amount: | | |
| At 1 January | 6,310 | 5,862 |
| Arising from the acquisition of subsidiary | 40 | 448 |
| At 31 December | 6,350 | 6,310 |

In 2024, the Group acquired the business of Shanghai Allways Consulting Ltd, the financial effect of which was insignificant to the Group. As such, no further disclosures had been made in relation to this acquisition.

Notes to The Financial Statements

Year ended 31 December 2025

13 GOODWILL (cont'd)

Goodwill acquired in business combinations are allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from the business combinations. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

| | Group | |
|---|--------|--------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Professional recruitment - a single CGU in People's Republic of China | 4,683 | 4,683 |
| Others* | 1,667 | 1,627 |
| | 6,350 | 6,310 |

* Others comprise goodwill relating to CGUs which are individually not significant.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates during the period. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the CGUs using the CGUs' WACC determined using Capital Asset Pricing Model. The growth rates are based on CGUs-specific growth forecasts.

The Group prepares four years (2024 : four years) forecasts and extrapolates cash flow forecasts based on an estimated average revenue growth rate of 5% (2024 : 4.5%). Cash flows beyond this period are extrapolated based on an estimated growth rate of 2% (2024 : 2%). This rate does not exceed the average long-term revenue growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the single CGU in People's Republic of China is 8.2% (2024 : 9.9%) per annum.

As at 31 December 2025, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

14 SUBSIDIARIES

| | Company | |
|---------------------------------|---------|--------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Unquoted equity shares, at cost | 48,428 | 48,428 |

Notes to The Financial Statements

Year ended 31 December 2025

14 SUBSIDIARIES (cont'd)

Details of the Company's significant subsidiaries at 31 December 2025 and 2024 are as follows:

| Name of subsidiaries | Country of incorporation | Principal activities | Proportion of ownership interest and voting power held | |
|--|--------------------------|--|--|------|
| | | | 2025 | 2024 |
| | | | % | % |
| HRnet One Pte Ltd ("HRS") ⁽¹⁾ | Singapore | Personnel recruitment and provision of human resources related services. | 100 | 100 |
| Recruit Express Pte Ltd ("RES") ⁽¹⁾ | Singapore | Personnel recruitment and provision of human resources related services. | 100 | 100 |

⁽¹⁾ Audited by Deloitte & Touche LLP, Singapore.

The following schedule shows the effects of changes in the Group's ownership interest in certain subsidiaries that did not result in change on control, on the equity attributable to owners of the Company:

| | 2025 | 2024 |
|---|---------|---------|
| | \$'000 | \$'000 |
| Consideration for changes in ownership interest in subsidiaries | (3,371) | (1,261) |
| Non-controlling interests acquired | 2,903 | 1,633 |
| Difference recognised in equity reserves (Note 20) | 468 | 372 |

Information about the composition of the Group at the end of the financial year is as follows:

| Principal activities | Place of incorporation and operation | Number of subsidiaries | |
|--|---|------------------------|------|
| | | 2025 | 2024 |
| Personnel recruitment and provision of human resource related services. | Singapore, Japan, South Korea, People's Republic of China, Indonesia, Vietnam | 14 | 13 |
| Employment, recruitment and personnel placement agency. | Singapore | 4 | 4 |
| Head office of enterprises operating abroad as employment, recruitment and personnel placement agency. | Singapore | 4 | 4 |
| Investment holding. | Singapore, Hong Kong S.A.R. | 2 | 2 |
| Outsourcing of HR related service and personnel recruitment. | People's Republic of China | 1 | 1 |
| Outsourcing of HR related service, labour dispatch and personnel recruitment. | People's Republic of China | 3 | 2 |
| Management of human resource functions and human resource consultancy services. | Singapore | 1 | 1 |

Notes to The Financial Statements

Year ended 31 December 2025

14 SUBSIDIARIES (cont'd)

| Principal activities | Place of incorporation and operation | Number of subsidiaries | |
|--|--|------------------------|------|
| | | 2025 | 2024 |
| Executive search and personnel placement agency. | Hong Kong S.A.R. | 2 | 2 |
| Provision of recruitment agency services. | Hong Kong S.A.R. | 3 | 3 |
| Personnel recruitment agency. | Malaysia | 4 | 4 |
| Provision of temporary and contracted staffing services. | Malaysia | 2 | 2 |
| Investment holding and management consultancy. | Thailand, Indonesia | 2 | 2 |
| Executive and management recruitment. | Thailand | 1 | 1 |
| Private employees procurement agency business licence. | Indonesia | 2 | 2 |
| Information technology consultancy. | Singapore | 1 | 2 |
| Employment agency and information technology consultancy. | Singapore | 1 | 1 |
| Provision of human resource management / management consulting service, paid job placement and worker dispatch business. | South Korea | 1 | 1 |
| Dormant. | Singapore, Hong Kong S.A.R., Taiwan, Malaysia, Australia | 6 | 6 |
| | | 54 | 53 |

15 DEFERRED TAX ASSETS (LIABILITIES)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

| | Group | |
|--------------------------|--------|--------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Deferred tax assets | 2,739 | 2,713 |
| Deferred tax liabilities | (306) | (437) |
| | 2,433 | 2,276 |

Notes to The Financial Statements

Year ended 31 December 2025

15 DEFERRED TAX ASSETS (LIABILITIES) (cont'd)

The following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the financial year:

| Group | Accelerated tax depreciation | Provisions and other temporary differences | Total |
|--|-------------------------------------|---|---------------|
| | \$'000 | \$'000 | \$'000 |
| At 1 January 2024 | (263) | 1,386 | 1,123 |
| Exchange realignment | 1 | 10 | 11 |
| (Charge) Credit to profit or loss for the year (Note 25) | (107) | 1,249 | 1,142 |
| At 31 December 2024 | (369) | 2,645 | 2,276 |
| Exchange realignment | (1) | (62) | (63) |
| Credit to profit or loss for the year (Note 25) | 31 | 189 | 220 |
| At 31 December 2025 | (339) | 2,772 | 2,433 |

16 TRADE PAYABLES

The trade payables mainly consist of Goods & Services Tax, Sales & Services Tax, Value-Added Tax and Consumption Tax payable to respective local tax authorities.

17 OTHER PAYABLES AND ACCRUALS

| | Group | | Company | |
|----------------------------------|---------------|---------------|----------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Accrued operating expenses | 47,863 | 46,707 | 185 | 218 |
| Advanced deposit | 191 | - | - | - |
| Advanced billings | 4,331 | 3,844 | - | - |
| Deposits from customers | 3,794 | 3,715 | - | - |
| Dividends payable | 856 | 1,091 | - | - |
| Other payables due to subsidiary | - | - | 64,808 | 61,061 |
| | 57,035 | 55,357 | 64,993 | 61,279 |

The amount due to subsidiary are unsecured, interest-free and repayable on demand.

Notes to The Financial Statements

Year ended 31 December 2025

18 LEASE LIABILITIES

| | Group | |
|-------------------------|---------|---------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Maturity analysis: | | |
| Year 1 | 5,309 | 5,077 |
| Year 2 | 4,607 | 3,340 |
| Year 3 | 3,050 | 2,859 |
| Year 4 | 2,158 | 1,796 |
| Year 5 | 920 | 1,636 |
| Year 6 onwards | 18 | 420 |
| | 16,062 | 15,128 |
| Less: Unearned interest | (1,349) | (1,420) |
| | 14,713 | 13,708 |
| Analysed as: | | |
| Current | 4,710 | 4,651 |
| Non-current | 10,003 | 9,057 |
| | 14,713 | 13,708 |

The Group does not face a significant liquidity risk with regards to its lease liabilities.

19 SHARE CAPITAL AND TREASURY SHARES

Share capital

| | Group and Company | | | |
|--------------------------------|-------------------|-----------|--------------------|---------|
| | Number of shares | | Issued and paid up | |
| | 2025 | 2024 | 2025 | 2024 |
| | '000 | '000 | \$'000 | \$'000 |
| Issued and paid up: | | | | |
| - At 1 January and 31 December | 1,011,407 | 1,011,407 | 260,605 | 260,605 |

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

Treasury shares

| | Group and Company | | | |
|---|---------------------------|--------|---------|--------|
| | Number of treasury shares | | Amount | |
| | 2025 | 2024 | 2025 | 2024 |
| | '000 | '000 | \$'000 | \$'000 |
| At 1 January | 31,324 | 27,125 | 22,690 | 19,709 |
| Treasury shares purchased | 1,275 | 4,698 | 891 | 3,343 |
| Treasury shares reissued pursuant to share-based payment expenses | (294) | (499) | (213) | (362) |
| Sale of treasury shares | (9,997) | - | (7,232) | - |
| At 31 December | 22,308 | 31,324 | 16,136 | 22,690 |

Notes to The Financial Statements

Year ended 31 December 2025

19 SHARE CAPITAL AND TREASURY SHARES (cont'd)

Treasury shares (cont'd)

The Company acquired 1,275,000 (2024 : 4,698,000) of its issued shares through purchases on the SGX-ST during the financial year. The total amount paid to acquire the shares was \$0.9 million (2024 : \$3.3 million) and this was presented as a component within shareholders' equity.

The Company reissued 294,000 (2024 : 499,000) treasury shares during the financial year pursuant to the share-based payment expenses. The Company expects to use the remaining treasury shares for purposes in accordance with Section 76K of the Companies Act 1967, including in relation to future employment share plans, placements and acquisitions.

The Company sold 9,997,000 (2024 : Nil) treasury shares for a total consideration of \$7.2 million during the financial year and this was presented as a component within shareholders' equity.

20 EQUITY RESERVE

Equity reserve represents the following:

- (i) difference between purchase consideration and net assets transferred for business combination involving entities under common control; and
- (ii) difference between consideration for changes in ownership interest in subsidiaries and non-controlling interest acquired or disposed.

21 INVESTMENTS REVALUATION RESERVE

The investments revaluation reserve represents the cumulative losses arising on the revaluation of investments in equity instruments designated at FVTOCI.

Movement in investments revaluation reserves:

| | Group and Company | |
|---|-------------------|--------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| At 1 January | 51,448 | 51,660 |
| Fair value gain on investments in equity instruments designated at FVTOCI | (6,474) | (212) |
| At 31 December | 44,974 | 51,448 |

22 TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of translation reserve.

23 REVENUE

The Group derives its revenue from the transfer of services over time and at a point in time for flexible staffing and professional recruitment services respectively. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating segments* (see Note 30). A disaggregation of the Group's revenue for the year has been disclosed in Note 30.

Notes to The Financial Statements

Year ended 31 December 2025

24 OTHER INCOME, NET

| | Group | |
|--|--------|---------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Interest income | 5,343 | 8,012 |
| Dividend income | 586 | 914 |
| Gain on disposal of investments | 837 | 83 |
| Net fair value gain (loss) on financial assets mandatorily measured at FVTPL | 2,545 | (4,311) |
| Government grants/subsidies and rebates | 9,174 | 6,839 |
| Reversal of trade related accruals | – | 2,284 |
| Net fair value gain on other assets | 3,420 | 997 |
| Others | 408 | 626 |
| | 22,313 | 15,444 |

25 INCOME TAX EXPENSE

| | Group | |
|---|--------|---------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Current tax | 9,976 | 10,648 |
| (Over) Under provision of current tax in prior year | (342) | 3 |
| Deferred tax (Note 15) | (220) | (1,142) |
| Withholding tax | 175 | 215 |
| | 9,589 | 9,724 |

Domestic income tax is calculated at 17% (2024 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

| | Group | |
|--|--------|--------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Profit before income tax | 62,507 | 56,003 |
| Income tax expense at statutory tax rate | 10,626 | 9,520 |
| Non-(taxable) deductible items | (990) | 241 |
| Tax rate differentials between Singapore and foreign countries | 620 | 370 |
| (Over) Underprovision of current tax in prior year | (342) | 3 |
| Effect of tax exemption and rebate | (454) | (440) |
| Withholding tax | 175 | 215 |
| Others | (46) | (185) |
| | 9,589 | 9,724 |

Notes to The Financial Statements

Year ended 31 December 2025

26 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

| | Group | |
|---|--------|--------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Defined contribution plans ⁽¹⁾ | 38,384 | 37,181 |
| Allowance for doubtful receivables | 100 | 60 |
| Depreciation of property, plant and equipment | 1,075 | 1,043 |
| Depreciation of right-of-use assets | 5,128 | 6,244 |
| Amortisation of intangible assets | 672 | 519 |
| Expenses relating to short-term leases | 671 | 593 |
| Audit fees: | | |
| - Deloitte & Touche LLP, Singapore | 205 | 196 |
| - Other Deloitte offices | 115 | 132 |
| Non-audit fees: | | |
| - Deloitte & Touche LLP, Singapore | 84 | 55 |
| - Other Deloitte offices | 33 | 16 |

⁽¹⁾ The defined contribution plans of contractor employees have been included in this disclosure.

27 EARNINGS PER SHARE

The calculation of the earnings per share attributable to the owners of the Company is based on the following data:

| | Group | |
|--|--------|--------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Profit attributable to owners of the Company | 51,190 | 44,518 |

| | Group | |
|---|------------------|---------|
| | Number of shares | |
| | 2025 | 2024 |
| | '000 | '000 |
| Weighted average number of ordinary shares used to compute basic and diluted earnings per share | 981,672 | 981,693 |
| Basic and diluted earnings per share (cents) | 5.21 | 4.53 |

Notes to The Financial Statements

Year ended 31 December 2025

28 DIVIDENDS

On 25 April 2024, in respect of the financial year ended 31 December 2023, the Company declared a final one-tier tax exempt ordinary dividend of approximately \$20.9 million (\$0.0213 per share) which were paid on 24 May 2024 to its registered shareholders.

On 12 August 2024, in connection with the current financial year ended 31 December 2024, the Company declared a one-tier tax exempt interim dividend of approximately \$18.3 million (\$0.0187 per share) which were paid on 11 September 2024 to its registered shareholders.

On 25 April 2025, in respect of the financial year ended 31 December 2024, the Company declared a final one-tier tax exempt ordinary dividend of approximately \$20.9 million (\$0.0213 per share) which were paid on 15 May 2025 to its registered shareholders.

On 13 August 2025, in connection with the current financial year ended 31 December 2025, the Company declared a one-tier tax exempt interim dividend of approximately \$19.5 million (\$0.02 per share) which were paid on 02 September 2025 to its registered shareholders.

In addition, the directors propose that a final one-tier tax exempt ordinary dividend of \$0.022 per share be paid. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated dividend to be paid subsequent to year end is \$21.8 million.

29 CONTINGENT LIABILITIES

| | Group | |
|------------------------|--------------|--------------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Banker's guarantees | 833 | 954 |
| Other pledged deposits | 237 | 228 |
| | <u>1,070</u> | <u>1,182</u> |

The amount disclosed represents the aggregate amount of the contingent liabilities for the Group. The banker's guarantees and other pledged deposits are provided as security deposits and earmarked amounts in connection with application for various employment agency licences in Singapore, Malaysia and Taiwan, and various Singapore and Hong Kong S.A.R government service contracts. There are no indirect and contingent indebtedness with respect to third parties.

30 SEGMENT INFORMATION

For purposes of resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn are segregated based on the type of services supplied. This forms the basis of identifying the segments of the Group under SFRS(I) 8 *Operating segments* as follows:

- (i) Professional recruitment.
- (ii) Flexible staffing.
- (iii) Others.

Notes to The Financial Statements

Year ended 31 December 2025

30 SEGMENT INFORMATION (cont'd)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of other income, other employee benefit expenses, facilities and depreciation expenses, selling expenses, other expenses and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Information regarding the operations of each reportable segment is included below.

Business segment revenue, gross profit and results

The following is an analysis of the Group's revenue and results by reportable segments:

| | Revenue | | Gross Profit | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| Group | \$'000 | \$'000 | \$'000 | \$'000 |
| Professional recruitment | 55,788 | 54,936 | 55,562 | 54,854 |
| Flexible staffing | 524,079 | 507,956 | 63,819 | 64,077 |
| Others | 4,143 | 4,104 | 3,515 | 3,279 |
| | <u>584,010</u> | <u>566,996</u> | <u>122,896</u> | <u>122,210</u> |

| | Results | |
|--------------------------------------|---------------|---------------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Other income, net | 22,313 | 15,444 |
| Other employee benefit expenses | (65,088) | (63,942) |
| Facilities and depreciation expenses | (10,008) | (11,407) |
| Selling expenses | (3,150) | (3,032) |
| Other expenses | (3,657) | (2,647) |
| Finance costs | (799) | (623) |
| Profit before income tax | <u>62,507</u> | <u>56,003</u> |

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales.

Geographical segment revenue and gross profit

| | Revenue | | Gross Profit | |
|---------------|----------------|----------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| Group | \$'000 | \$'000 | \$'000 | \$'000 |
| Singapore | 367,315 | 375,765 | 63,730 | 67,805 |
| North Asia* | 183,553 | 164,105 | 53,045 | 49,292 |
| Rest of Asia# | 33,142 | 27,126 | 6,121 | 5,113 |
| | <u>584,010</u> | <u>566,996</u> | <u>122,896</u> | <u>122,210</u> |

Notes to The Financial Statements

Year ended 31 December 2025

30 SEGMENT INFORMATION (cont'd)

Geographical segment assets

| | 2025 | 2024 |
|---------------|----------------|----------------|
| Group | \$'000 | \$'000 |
| Singapore | 392,066 | 378,181 |
| North Asia* | 96,766 | 90,428 |
| Rest of Asia# | 14,952 | 13,672 |
| | <u>503,784</u> | <u>482,281</u> |

* North Asia comprises Hong Kong S.A.R., Taiwan, People's Republic of China, Japan and South Korea.

Rest of Asia comprises Malaysia, Thailand and Indonesia.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision makers monitor the tangible, intangible and financial assets attributable to each segment.

Liabilities are not allocated as they are not monitored by the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Information about major customers

No single customer accounted for more than 10% of the Group's total revenue. The top ten customers represent 26% (2024 : 26%) of the Group's total revenue.

31 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements relevant to the Group and Company were issued but not effective.

Effective for annual periods beginning on or after 1 January 2026

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s–Volume 11

Effective for annual periods beginning on or after 1 January 2027

- SFRS(I) 18 *Presentation and Disclosure in Financial Statements*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

Except for SFRS(I) 18, management anticipates that the adoption of these SFRS(I)s pronouncements in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption. The application of SFRS(I) 18 is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of SFRS(I) 18 on the consolidated financial statements.

Shareholding Statistics

As at 09 March 2026

| | | |
|---|---|-----------------------------------|
| Issued and Paid-Up Capital | : | S\$266,062,054.87 |
| Number of shares issued (including Treasury Shares) | : | 1,011,406,872 |
| Number and Percentage of Treasury Shares | : | 22,147,106 and 2.24% ¹ |
| Number of shares issued (excluding Treasury Shares) | : | 989,259,766 |
| Number and Percentage of Subsidiary Holdings ² | : | Nil |
| Class of shares | : | Ordinary shares |
| Voting rights | : | One vote per share |

¹ Percentage is calculated based on 989,259,766 issued shares, excluding treasury shares.

² "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | % | NO. OF SHARES | % |
|-----------------------|---------------------|---------------|--------------------|---------------|
| 1 - 99 | 4 | 0.19 | 9 | 0.00 |
| 100 - 1,000 | 259 | 12.42 | 204,800 | 0.02 |
| 1,001 - 10,000 | 1,071 | 51.34 | 5,400,320 | 0.55 |
| 10,001 - 1,000,000 | 736 | 35.28 | 38,735,175 | 3.91 |
| 1,000,001 AND ABOVE | 16 | 0.77 | 944,919,462 | 95.52 |
| TOTAL | 2,086 | 100.00 | 989,259,766 | 100.00 |

TWENTY LARGEST SHAREHOLDERS

| NO. | NAME | NO. OF SHARES | % |
|-----|--|--------------------|--------------|
| 1 | UOB KAY HIAN PRIVATE LIMITED | 791,855,173 | 80.05 |
| 2 | HSBC (SINGAPORE) NOMINEES PTE LTD | 68,421,900 | 6.92 |
| 3 | CITIBANK NOMINEES SINGAPORE PTE LTD | 27,408,468 | 2.77 |
| 4 | DBS NOMINEES (PRIVATE) LIMITED | 24,572,121 | 2.48 |
| 5 | RAFFLES NOMINEES (PTE.) LIMITED | 7,934,933 | 0.80 |
| 6 | IFAST FINANCIAL PTE. LTD. | 4,568,000 | 0.46 |
| 7 | DBSN SERVICES PTE. LTD. | 3,533,900 | 0.36 |
| 8 | PHILLIP SECURITIES PTE LTD | 3,008,084 | 0.30 |
| 9 | SIM WEI WEN, AVIEL | 2,334,500 | 0.24 |
| 10 | TEH CHEONG HUA | 2,240,000 | 0.23 |
| 11 | OCBC SECURITIES PRIVATE LIMITED | 1,806,400 | 0.18 |
| 12 | MAYBANK SECURITIES PTE. LTD. | 1,493,600 | 0.15 |
| 13 | OCBC NOMINEES SINGAPORE PRIVATE LIMITED | 1,472,200 | 0.15 |
| 14 | UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED | 1,467,000 | 0.15 |
| 15 | CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. | 1,464,383 | 0.15 |
| 16 | ABN AMRO CLEARING BANK N.V. | 1,338,800 | 0.14 |
| 17 | DB NOMINEES (SINGAPORE) PTE LTD | 850,100 | 0.09 |
| 18 | MOOMOO FINANCIAL SINGAPORE PTE. LTD. | 820,510 | 0.08 |
| 19 | CHUA MENG HOON | 607,990 | 0.06 |
| 20 | GOH GEOK LING | 600,000 | 0.06 |
| | TOTAL | 947,798,062 | 95.82 |

Shareholding Statistics

As at 09 March 2026

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 9 March 2026)

| | Direct Interest | | Deemed Interest | |
|---|-----------------|--------|-----------------|--------|
| | No. of Shares | % | No. of Shares | % |
| SIMCO Ltd | 783,268,300 | 79.177 | - | - |
| SIMCO Global Ltd. ⁽¹⁾ | - | - | 783,268,300 | 79.177 |
| Butterfield Trust (Asia) Limited ⁽¹⁾ | - | - | 783,268,300 | 79.177 |
| Sim Yong Siang ⁽²⁾ | - | - | 783,268,300 | 79.177 |
| Sim Joo Siang ⁽²⁾ | - | - | 783,268,300 | 79.177 |
| Sim Wei Ling, Adeline Mrs Tan Wei Ling, Adeline ⁽²⁾ | 489,600 | 0.050 | 783,268,300 | 79.177 |
| Sim Wei Wen, Aviel ⁽²⁾ | 2,334,500 | 0.236 | 783,268,300 | 79.177 |
| Sim Wei Rong Joshua ⁽²⁾ | - | - | 783,268,300 | 79.177 |
| Nelly Sim Nee Tan Kheng Eng ⁽²⁾ | - | - | 783,268,300 | 79.177 |
| Tan Eei Choo ⁽²⁾ | - | - | 783,268,300 | 79.177 |

Notes:

- SIMCO Global Ltd has a deemed interest by virtue of Section 4(5) of the Securities and Futures Act (Cap. 289) arising from the listing of the shares of HRnetGroup Limited on 16 June 2017. Butterfield Trust (Asia) Limited's deemed interest in HRnetGroup Limited, in its capacity as trustee of the SIMCO Trust, arises by virtue of it having a 100% indirect holding in SIMCO Global Ltd. (via Greenview Nominees Limited as nominee), which has a 100% shareholding in SIMCO Ltd, which in turn has a direct and deemed interest in 783,268,300 shares of HRnetGroup Limited.
- Sim Yong Siang ("Peter Sim"), Sim Joo Siang ("JS Sim"), Sim Wei Ling (Mrs Tan Wei Ling, Adeline) ("Adeline Sim"), Sim Wei Wen, Aviel ("Aviel Sim"), Sim Wei Rong Joshua, Nelly Sim Wee Tan Kheng Eng ("Nelly Sim") and Tan Eei Choo are deemed to have an interest in the shares of HRnetGroup Limited arising from the shares held by SIMCO Ltd in HRnetGroup Limited. The shares of SIMCO Ltd are wholly-owned by SIMCO Global Ltd. The shares of SIMCO Global Ltd are held as property of the SIMCO Trust.

SIMCO Trust is a revocable trust and was established by Peter Sim, Nelly Sim and JS Sim. Butterfield Trust (Asia) Limited acts as trustee of the SIMCO Trust and indirectly holds all the shares in SIMCO Global Ltd. (via Greenview Nominees Limited as nominee). The settlors of the SIMCO Trust are Peter Sim, Nelly Sim, and JS Sim. The settlors have collectively retained the power to instruct the trustee on matters relating to the investments of the assets of the SIMCO Trust, including the shares in SIMCO Ltd. Otherwise, the trustee has all other rights and powers in relation to the property comprised in the SIMCO Trust (which includes the SIMCO Trust fund) as the legal owner of such property, acting in its capacity as trustee of the SIMCO Trust, subject to any powers and restrictions contained in the SIMCO Trust Deed.

The beneficial owners of the assets comprised in the SIMCO Trust are the discretionary beneficiaries of the SIMCO Trust which comprise Peter Sim, Nelly Sim, JS Sim and Tan Eei Choo and their respective issue and remoter issue (which include the two minor children of Adeline Sim, the two minor children of Aviel Sim and the three minor children of Sim Wei Rong, Joshua). Peter Sim and Nelly Sim are spouses. Peter Sim and JS Sim are siblings. Adeline Sim and Aviel Sim are the children of Peter Sim and Nelly Sim. Sim Wei Rong, Joshua is the child of JS Sim and Tan Eei Choo.

- Percentage is calculated based on 989,259,766 issued shares, excluding treasury shares.

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 20.2% of the issued ordinary shares of the Company is held in the hands of the public as at 9 March 2026 and therefore Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**” or the “**Meeting**”) of HRnetGroup Limited (the “**Company**”) will be held at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873 on Tuesday, 21 April 2026 at 6.30 p.m. to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2025 together with the Auditors’ Report thereon. **Resolution 1**
2. To declare a final tax exempt (one-tier) dividend of 2.2 Singapore cents per ordinary share for the financial year ended 31 December 2025. **Resolution 2**
3. To approve the payment of Directors’ fees (the “**2026 Directors’ Fees**”) of S\$240,000 and related expenses for the financial year ending 31 December 2026 (2025: S\$250,000 and related expenses) and that, pursuant to Rule 804 of the Singapore Exchange Securities Trading Limited Mainboard Rules, authority be and is hereby given to the Directors to allot and issue the following ordinary shares of the Company out of treasury (the “**Remuneration Shares 2026**”) to the following relevant Directors at an issue price of \$0.6630 per Remuneration Share 2026, such amount to be off set against the 2026 Directors’ Fees payable to the relevant Director:
 - (a) Mr Lim Lian Soon in respect of 50,277 Remuneration Shares 2026;
 - (b) Mr Albert George Hector Ellis in respect of 67,873 Remuneration Shares 2026;
 - (c) Mr Pong Chen Yih in respect of 67,873 Remuneration Shares 2026; and
 - (d) Mr Esmond Choo Liong Gee in respect of 67,873 Remuneration Shares 2026.
[See Explanatory Note (i)] **Resolution 3**
4. 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 (ii)]* **Resolution 4**
5. To re-elect Mr Albert George Hector Ellis, who retires by rotation pursuant to Article 94 of the Company’s Constitution, as a Director of the Company. *[See Explanatory Note (iii)]* **Resolution 5**
6. To re-elect Mr Esmond Choo Liong Gee, who retires by rotation pursuant to Article 100 of the Company’s Constitution, as a Director of the Company. *[See Explanatory Note (iv)]* **Resolution 6**
7. To note the retirement of Ms Heng Su Ling, Mae pursuant to Rule 210(5)(d)(iv) of the Listing Manual.
8. To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

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

9. Authority to allot and issue shares and convertible securities

“That pursuant to Section 161 of the Companies Act 1967 (the “**Act**”) and Rule 806 of the Listing Manual Section B: Rules of Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Mainboard Rules**”), authority be and is hereby given to the Directors of the Company to:

- (A) (i) issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise;

Notice of Annual General Meeting

- (ii) 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,
- (iii) 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

- (B) (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:

- (a) 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
- (b) (subject to such manner of calculation and adjustments as may be prescribed by the Mainboard Rules) 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:-
 - (i) new Shares arising from the conversion or exercise of convertible securities;
 - (ii) (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
 - (iii) 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;

- (C) 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
- (D) (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 (v)]

Resolution 8

Notice of Annual General Meeting

10. To approve the allotment and issue of ordinary shares of the Company out of treasury to the Executive Directors of the Company, namely Ms Kang Ah Eng and Ms Sim Wei Ling, Adeline, in satisfaction, in whole or in part, of the remuneration payable to them for the financial year ending 31 December 2026 (the “**2026 Executive Directors’ Remuneration**”) at their choice, and that, pursuant to Rule 804 of the Singapore Exchange Securities Trading Limited Mainboard Rules, authority be and is hereby given to the Directors to allot and issue such number of ordinary shares as may be determined by the Board for this purpose, at an issue price to be determined by the Board in accordance with the Mainboard Rules, and to apply the value of such shares towards satisfaction of the 2026 Executive Directors’ Remuneration. [See Explanatory Note (vi)]

Resolution 9

11. **Proposed Renewal of the Share Purchase Mandate**

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

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the “**Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (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:

- (i) on-market purchases (each a “**Market Purchase**”) on the SGX-ST; and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other provisions of the Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) 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 date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; and
- (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

- (c) in this Resolution:

“**Prescribed Limit**” means that number of Shares representing 10% of the issued Shares as at the date of the passing of this Resolution (excluding any treasury shares that may be held by the Company and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

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

- (i) in the case of a Market Purchase: 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price,

Notice of Annual General Meeting

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 during the relevant five-day period and 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

“**Date 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

- (d) 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 and/or authorised by this Resolution.

[See Explanatory Note (vii)]

Resolution 10

12. 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, 6 April 2026

Explanatory Notes:

- (i) Ordinary Resolution 3 is to approve the payment of Directors’ Fees for the Non-Executive Independent Directors of the Company during FY2026. If approved, the Non-Executive Independent Directors will be paid the 2026 Directors’ Fees, out of which a total of S\$168,333 will be applied as consideration for the issuance of the Remuneration Shares 2026. The issue price for the Remuneration Shares 2026 is determined on the basis of the volume-weighted average closing price of the Shares traded on the SGX-ST for the five market days up to and including 27 March 2026, being the latest practicable date prior to the date of this Notice for the purpose of determining the issue price, and applying a discount of 10%. The issuance of the Remuneration Shares 2026 will be treated as an acquisition of Shares by the relevant Directors and such Shares will be issued out of treasury. Such issuance is subject to the listing approval of the SGX-ST. If the listing approval of the SGX-ST is not granted, the relevant amount of the 2026 Directors’ Fees will be paid in cash. The Remuneration Shares 2026 will rank pari passu with the existing issued Shares. The Non-Executive Independent Directors’ who will each, subject to shareholders’ approval, be issued the Remuneration Shares 2026, will abstain from voting in respect of, and will procure their associates to abstain from voting in respect of, Ordinary Resolution 3.

Ms Heng Su-Ling, Mae will retire at the conclusion of the AGM scheduled for 21 April 2026. For more information, please refer to the earlier announcement released on the same day as this Notice of AGM.

Mr Lim Lian Soon will be appointed as a Non-Executive Independent Director effective 1 May 2026. Further details can be found in the earlier announcement released on the same day as this Notice of AGM.

- (ii) Ordinary Resolution 4, Mr Sim Joo Siang will, upon re-election as a Director of the Company, remain as an Executive and Non-Independent Director. Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, detailed information on Mr Sim Joo Siang can be found under the “Board of Directors” and “Corporate Governance Report” sections of the Company’s Annual Report.
- (iii) Ordinary Resolution 5, Mr Albert George Hector Ellis will, upon re-election as a Director of the Company, remain as an Independent Director. He is considered to be independent pursuant to Rule 704(8) of the Listing Manual of SGX-ST. There are no relationships including immediate family relations between Mr Albert George Hector Ellis and the other Directors or its 10% shareholders. Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, detailed information on Mr Albert George Hector Ellis can be found under the “Board of Directors” and “Corporate Governance Report” sections of the Company’s Annual Report.

Notice of Annual General Meeting

- (iv) Ordinary Resolution 6, Mr Esmond Choo Liong Gee will, upon re-election as a Director of the Company, remain as an Independent Director and a member of the Remuneration Committee. He is considered to be independent pursuant to Rule 704(8) of the Listing Manual of SGX-ST. There are no relationships including immediate family relations between Mr Esmond Choo Liong Gee and the other Directors or its 10% shareholders. Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, detailed information on Mr Esmond Choo Liong Gee can be found under the “Board of Directors” and “Corporate Governance Report” sections of the Company’s Annual Report.
- (v) Ordinary Resolution 8, 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 9 March 2026 (the “**Latest Practicable Date**”), the Company has 22,147,106 treasury shares and no subsidiary holdings.
- (vi) Ordinary Resolution 9 is to approve the allotment and issue of ordinary shares of the Company out of treasury (the “Remuneration Shares 2026”) to the Executive Directors of the Company, namely Ms Kang Ah Eng and Ms Sim Wei Ling, Adeline, if they choose to be paid in Remuneration Shares 2026 in satisfaction, in whole or in part, of their remuneration for the financial year ending 31 December 2026 (“FY2026”). The issue price of the Remuneration Shares 2026 will be determined by the Board in accordance with the Listing Manual Section B: Rules of Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Mainboard Rules”). The issuance of the Remuneration Shares 2026 will be treated as an acquisition of Shares by the relevant Executive Directors and such Shares will be issued out of treasury. The issuance is subject to the listing approval of the SGX-ST. If the listing approval of the SGX-ST is not granted, the relevant amount of the FY2026 remuneration will be paid in cash. The Remuneration Shares 2026 will rank pari passu in all respects with the existing issued Shares. The Executive Directors who are to receive the Remuneration Shares 2026 will abstain from voting in respect of, and will procure their associates to abstain from voting in respect of, Ordinary Resolution 9.
- (vii) Ordinary Resolution 10, 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 6 April 2026 (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 on the assumption set out in paragraph 2.3.1 of the Letter, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares (excluding treasury shares) will result in the purchase or acquisition of 98,925,976 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 98,925,976 Shares at the Maximum Price of S\$0.77 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 98,925,976 Shares is approximately S\$76,173,002.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 98,925,976 Shares at the Maximum Price of S\$0.88 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 98,925,976 Shares is approximately S\$87,054,859.

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 2025 are set out in greater detail in the Letter enclosed together with the Annual Report.

Notes:

1. The AGM will be held, in a wholly physical format, at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873 on Tuesday, 21 April 2026 at 6.30 p.m. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. There will be no option for shareholders to participate virtually. Printed copies of this Notice of AGM and the accompanying proxy form will be sent by post to members. These documents will also be published on the Company’s website at the URL <https://hrnetgroup.listedcompany.com> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Notice of Annual General Meeting

2. A member who intends to attend the AGM is encouraged to pre-register via the URL <https://bit.ly/HRnetGroupAGM2026> or scan the below QR code:



Appointment of Proxy(ies)

3. (a) A member who is not a Relevant Intermediary* is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
- (b) A member who is a Relevant Intermediary* is entitled to appoint more than two proxies to attend, speak and vote at the AGM, 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 instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967. A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.
4. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (i) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (ii) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com.

and in each case, must be lodged or received (as the case may be), by 6.30 p.m. on 18 April 2026, being 72 hours before the time appointed for holding the AGM.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email to the Company's Share Registrar.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.
7. CPF and SRS Investors who wish to vote, should approach their respective CPF Agent Banks and SRS Operators to appoint Chairman of the Meeting as their proxy, at least 7 working days before the AGM.
8. A Depositor's name must appear on the Depository Register maintained by the Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.

Submission of Questions

9. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM:
- (a) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.proxy@boardroomlimited.com. When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/ or scrip), for verification purposes. All questions submitted in advance must be received by 5.00 p.m. on 13 April 2026.
10. The Company will address all substantial and relevant questions received from shareholders by the 13 April 2026 deadline by publishing its responses to such questions on the Company's website at the URL <https://hrnetgroup.listedcompany.com> and the SGX website at the URL <https://www.sgx.com/securities/companyannouncements> at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions submitted after the 13 April 2026 deadline either within a reasonable timeframe before the AGM, or at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Notice of Annual General Meeting

11. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

Access to Documents

12. The 2025 Annual Report and the Letter to Shareholders dated 6 April 2026 (in relation to the Proposed Renewal of the Share Purchase Mandate) have been published and may be accessed at the Company's website at the URL <https://hrnetgroup.listedcompany.com>.

The above documents may also be accessed at the SGX website at the URL <https://www.sgx.com/securities/companyannouncements>. Members may request for printed copies of these documents by (a) completing and submitting the Request Form sent to them by post, or (b) sending an email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.requestform@boardroomlimited.com with "Request for Printed Copies of HRnetGroup 2025 Annual Report and Letter to Shareholders dated 6 April 2026" as the subject of the email, and state their full name (as per CDP, CPF, SRS, and/ or scrip-based records), mailing address, telephone or mobile number, and the manner in which you hold the Company's shares, in both cases, by 5.00 p.m. on 13 April 2026.

"**Relevant Intermediary**" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services license to provide custodial services for securities under the Securities Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) 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 or service providers), 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 or service providers) 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.

HRNETGROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201625854G)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

- The Annual General Meeting ("AGM" or "Meeting") will be held, in a wholly physical format, at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873 on Tuesday, 21 April 2026 at 6.30 p.m. **There will be no option for shareholders to participate virtually.**
- A member who intends to attend the AGM is encouraged to pre-register via <https://bit.ly/HRnetGroupAGM2026> or scan the QR code at the end of this form.
- Please read the notes overleaf which contains instructions on, inter alia, the appointment of a proxy(ies).
- For investors who have used their CPF monies to buy the Company's Shares, the Annual Report and Letter of Shareholders dated 6 April 2026 is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
- An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investors") and CPF investor who wishes to vote should approach their respective SRS Operators and CPF Agent banks to appoint the Chairman of the Meeting as their proxy, at least 7 working days before the Meeting.
- This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS Investors.

I/We _____ (Name) _____ (NRIC/Passport/Co. Reg. No.)

of _____ (Address)

being a *member/members of **HRNETGROUP LIMITED** (the "Company"), hereby appoint

| Name | NRIC/ Passport Number | Proportion of Shareholdings | |
|---------|-----------------------|-----------------------------|-----|
| | | No. of Shares | (%) |
| Address | | | |

and/or

| Name | NRIC/ Passport Number | Proportion of Shareholdings | |
|---------|-----------------------|-----------------------------|-----|
| | | No. of Shares | (%) |
| Address | | | |

or failing which, the Chairman of the Meeting as *my/our proxy/proxies, to attend, speak and vote for *me/us and on *my/our behalf, at the AGM of the Company to be held at **391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873** on **Tuesday, 21 April 2026 at 6.30 p.m.** and at any adjournment thereof in the following manner:

| No. | Ordinary Resolutions | For | Against | Abstain |
|-----|--|-----|---------|---------|
| | Routine Business | | | |
| 1. | Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2025 together with the Auditors' Report | | | |
| 2. | Declaration of a final tax exempt (one-tier) dividend of 2.2 Singapore cents per ordinary share | | | |
| 3. | Approval of payment of Directors' fees of S\$240,000 and related expenses, including the issuance of the Remuneration Shares 2026, for the financial year ending 31 December 2026, payable half yearly in arrears | | | |
| 4. | Re-election of Mr Sim Joo Siang as Director | | | |
| 5. | Re-election of Mr Albert George Hector Ellis as Director | | | |
| 6. | Re-election of Mr Esmond Choo Liong Gee as Director | | | |
| 7. | Re-appointment of Messrs Deloitte & Touche LLP as Auditors and authority to fix their remuneration | | | |
| | Special Business | | | |
| 8. | Authority to allot and issue shares and convertible securities | | | |
| 9. | Authority to allot and issue shares to the Executive Directors Ms Kang Ah Eng and Ms Sim Wei Ling, Adeline at their choice, which form part of their remuneration package for the financial year ending 31 December 2026 | | | |
| 10. | Approval of the Proposed Renewal of the Share Purchase Mandate | | | |

If you wish your proxy/proxies to cast all your votes **For** or **Against** a resolution, please tick with "√" in the **For** or **Against** box provided in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box provided in respect of that resolution. If you wish your proxy/proxies to Abstain from voting on a resolution, please tick with "√" in the **Abstain** box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy/proxies is/are directed to **Abstain** from voting in the Abstain box provided in respect of that resolution. **In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.**

Voting will be conducted by poll.

* Delete as appropriate

Dated this _____ day of _____ 2026

| TOTAL NUMBER OF SHARES IN: | NO. OF SHARES |
|----------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |

Signature(s) of Member(s)/
or Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM



Notes:

1. Each of the resolutions to be put to the vote of members at the AGM (at any adjournment thereof) will be voted on by way of poll.

Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, 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 instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The Instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (i) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (ii) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com.

and in each case, must be lodged or received (as the case may be), by 6.30 p.m. on 18 April 2026, being 72 hours before the time appointed for holding the AGM.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email to the Company's Share Registrar.

5. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/ her from attending, speaking and voting at the AGM if he/ she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised, failing which the instrument of proxy may be treated as invalid.
Where this Proxy Form is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
7. A corporation which is a member may, in accordance with Section 179 of the Companies Act 1967, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.
8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. For purposes of the appointment of a proxy(ies) and/ or representative(s), the member(s)' full name and CDP account number (if applicable) and the proxy(ies)' or representative(s)' full name and full NRIC/passport number will be required for verification purposes, and the proxy(ies)' or representative(s)' NRIC/passport will need to be produced for sighting upon registration at the AGM. This is so as to ensure that only duly appointed proxy(ies)/representative(s) attend, speak and vote at the AGM. The Company reserves the right to refuse admittance to the AGM if the proxy(ies)' or representative(s)' identity cannot be verified accurately.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case Shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 April 2026.



<https://bit.ly/HRnetGroupAGM2026>
For pre-registration of AGM attendance

391A Orchard Road Ngee Ann City Tower A #23-03 Singapore 238873

www.hrnetgroup.com