



HRNETGROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201625854G)

RESPONSES TO SHAREHOLDERS' AGM QUESTIONS

The Board of Directors (the “**Board**”) of HRnetGroup Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the questions received from shareholders between 11 April and 21 April 2023 in respect of the Group’s Annual Report for the year ended 31 December 2022 (the “**Annual Report**”) and wishes to respond to the queries as follows:

QUESTION 1

Resolution 3 and 4 - Additional Director fees 2022/2023.

Can the Board explain these additional fees? Why additional fees? Are these in addition to the existing director fees provided?

Company’s Response

The amount approved at the AGM last year was insufficient due to changes in the board composition last year. 4 new independent directors came onboard and replaced 2 directors who retired/resigned during the year.

QUESTION 2

Resolution 1 - Business operations

- (a) Can the Board update the situation in China where we had operations in Beijing, Shanghai and Chengdu? With the opening up in China, what is the impact on our operations there?
- (b) With the Bank failure (Credit Suisse collapse) and looming global recession as well as inflationary environment, how will these impact our operations in Asia?

Company’s Response

- (a) Our business in China was severely impacted in Q1 2023 due to the challenges in building business pipelines in Q4 2022 when Covid infection was at its peak. Since the end of the Lunar New Year celebrations in February, we see some resumption of business activities and people have gone back to offices. There has been mixed levels of hiring momentum across various sectors in China. The next 2 months would be critical to see how 1H pans out.
- (b) The global recessionary sentiment has impacted our business across the region in Q1. We see some recovery in Q2 and that 1H performance is likely to be significantly lower than that of same time last year. However, 2H performance will have a good chance of stronger performance than 1H.

QUESTION 3

Resolution 9 - Re-election of Mr. Albert Ellis as Director.

HRnetGroup is the second largest shareholder of Staffline Plc, with a 15.3% stake. Mr. Albert Ellis, CEO of Staffline, is designated as an independent director of HRnetGroup. Please explain how the relationship between HRnetGroup and Mr. Ellis does not affect Mr. Ellis's independence.

Company's Response

The Nominating Committee (NC) considered Mr. Albert Ellis's (Albert) deep and extensive experience of circa 30 years in the international recruitment industry including 23 years of experience as a director on listed company boards to be a valuable addition in support of the Group's progression towards establishing an international board with relevant industry skills and expertise for its next phase of growth and development.

The NC conducted the review of the independence of Albert and was satisfied that the appointment was in compliance with the SGX Code of Corporate Governance 2018, and after obtaining confirmation that:

- a) Albert or any of his immediate family members did not have significant shareholdings in Staffline Group Plc (Staffline);
- b) There had been no transactions between the Group and Staffline; and
- c) There were no relationships with Albert that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interest of the Company.

By Order of the Board

Adeline Sim
Executive Director & Chief Corporate Officer

21 April 2023