



HRNETGROUP LIMITED

(Company Registration No.: 201625854G)

(Incorporated in the Republic of Singapore on 21 September 2016)

Offering in respect of 89,482,000 Shares (subject to the Over-allotment Option) comprising:

(i) 85,682,000 Shares under the Placement; and

(ii) 3,800,000 Shares under the Public Offer.

Offering Price: S\$0.90 per Share

Prior to making a decision to purchase the Shares, you should carefully consider all the information contained in the Prospectus. This Product Highlights Sheet should be read in conjunction with the Prospectus. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. If you are in doubt as to investing in the Shares, you should consult your legal, financial, tax or other professional adviser.

This Product Highlights Sheet is an important document.

- It highlights the key information and risks relating to the offer of the Shares contained in the Prospectus. It complements the Prospectus¹.
- You should not purchase the Shares if you do not understand the nature of an investment in shares of a company, our business or are not comfortable with the accompanying risks.
- If you wish to purchase the Shares, you will need to make an application in the manner set out in the Prospectus. If you do not have a copy of the Prospectus, please contact our Company or the Joint Bookrunners and Underwriters to ask for one.

Issuer	HRnetGroup Limited	Place of incorporation	Republic of Singapore
Details of this offer	Offering in respect of 89,482,000 Shares (subject to the Over-allotment Option) comprising: (i) 85,682,000 Shares under the Placement; and (ii) 3,800,000 Shares under the Public Offer, including 440,800 Shares reserved for the directors and employees of our Company and our subsidiaries.	Total amount to be raised in this offer	Gross proceeds of approximately S\$174.1 million and net proceeds of approximately S\$165.8 million will be raised from the Offering and the issue of the Cornerstone Shares, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, the net proceeds from the Offering, the issue of the Cornerstone Shares and the issue of the Additional Shares are estimated to be approximately S\$175.6 million.
Issue Price	S\$0.90 per Share	Listing status of Issuer and the Securities	Application to the SGX-ST for permission to deal in, and for quotation of, (a) all our issued Shares, (b) all the Offering Shares, (c) the Additional Shares, (d) the Cornerstone Shares, (e) the GLOW Initial Shares, (f) the GLOW Additional Shares, (g) the Opp Plans Shares, (h) the Top-up Issuance Shares and (i) the GROW Award Shares.

¹ The Prospectus, lodged with and registered by the Monetary Authority of Singapore on 29 May 2017 and 8 June 2017 respectively, may be obtained on request, subject to availability, during office hours, from Credit Suisse (Singapore) Limited, Deutsche Bank AG, Singapore Branch, DBS Bank Ltd. and Nomura Singapore Limited at their respective addresses stated in the Prospectus and where applicable, members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore, or accessible at the SGX-ST website: <http://www.sgx.com> and the Authority's OPERA website at <https://eservices.mas.gov.sg/opera/Default.aspx>.

Sole Issue Manager	Deutsche Bank AG, Singapore Branch	Joint Bookrunners and Underwriters	Credit Suisse (Singapore) Limited, Deutsche Bank AG, Singapore Branch, DBS Bank Ltd. and Nomura Singapore Limited
Joint Global Coordinators	Credit Suisse (Singapore) Limited and Deutsche Bank AG, Singapore Branch		

OVERVIEW

WHO ARE WE AND WHAT DO WE DO?

Our Company was incorporated on 21 September 2016 as a private company limited by shares under the Companies Act, Chapter 50 of Singapore, under the name of “HRnetGroup Pte. Ltd.”, and was subsequently renamed “HRnetGroup Limited” on 16 May 2017. Our Group is the largest Asia-based recruitment agency in Asia Pacific (excluding Japan), as compared to other key players within the professional recruitment and flexible staffing industry with presence in Asia Pacific, according to Frost & Sullivan. As at 31 December 2016, we operate in 10 Asian growth cities, namely, Singapore (where our headquarters are located), Kuala Lumpur, Bangkok, Hong Kong, Taipei, Guangzhou, Shanghai, Beijing, Tokyo and Seoul.

As at the Latest Practicable Date, we operate and manage our business primarily as two operating segments, namely flexible staffing and professional recruitment. Both segments serve close to 30 diversified sectors, covering a wide spectrum of industries, including financial institutions, retail and consumer, information technology and telecommunications, manufacturing, healthcare life science, insurance and logistics, and functions such as human resources, finance and accounting, and legal and compliance. We also offer other services, such as payroll processing, human resource consulting and corporate training.

Refer to “Summary of the Offering” on page 46 of the Prospectus, “Corporate Reorganisation and Corporate Structure” on page 102 of the Prospectus and “Business” on page 130 of the Prospectus for more information.

WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

Our Directors are Mr. Peter Sim (Founding Chairman), Mr. JS Sim (Executive Director), Ms. Adeline Sim (Executive Director), Mr. Sin Boon Ann (Lead Independent Director), Ms. Heng Su-Ling Mae (Independent Director) and Mr. Tan Ngai Siew (Independent Director).

Our Company is led by a team of experienced executive officers who are responsible for the various functions of our Group, comprising of Ms. Jennifer Kang, our Chief Financial Officer, Ms. Tan Daisy, our Chief People Officer, Mr. Lorenz Tay, our group business leader and managing director of PeopleSearch Entities and Ms. Madeline Wan, our senior general manager of the Greater China and Japan business for HRnetOne Entities, Greater China & Japan.

Our Group was founded by our Founding Chairman, Mr. Peter Sim, when he first set up HRnet One Pte Ltd in 1992.

Refer to “Management and Corporate Governance” on page 206 of the Prospectus for more information on our Directors and executive officers.

WHO ARE OUR CONTROLLING SHAREHOLDERS?

Prior to the Offering, SIMCO Ltd, which is wholly-owned by SIMCO Global Ltd., holds 97.69% of our Company’s total issued share capital. The shares of SIMCO Global Ltd. are held as property of the SIMCO Trust. SIMCO Trust is a revocable trust established by Peter Sim, Nelly Sim and JS Sim for the purpose of succession and estate planning. Credit Suisse Trust Limited acts as trustee of the SIMCO Trust and indirectly holds all the shares in SIMCO Global Ltd. (via Seletar Limited and Serangoon Limited as nominees). 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.

Refer to “Share Capital and Shareholders” on page 244 of the Prospectus for more information on our controlling Shareholders.

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 and JS Sim and their respective issue and remoter issue. 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 Hui Ling Christine and Sim Wei Rong Joshua are the children of JS Sim.

After the Offering and the issue of the Cornerstone Shares (assuming the completion of the issue of the maximum number of the GLOW Initial Shares, the Opp 1 Investment Shares, the Opp 1 Loyalty Shares, the Opp 2 Investment Shares, the Opp 2 Buy-in Shares and the Top-up Issuance Shares and that Over-Allotment Option is not exercised), SIMCO Ltd is expected to hold 91.69% of our Company's total issued share capital.

HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

Key profit and loss information

	Year ended 31 December		
	2016	2015	2014
	S\$('000) (audited)	S\$('000) (audited)	S\$('000) (audited)
Revenue	365,043	356,014	324,452
Gross profit	132,777	131,196	128,616
Other income	12,072	10,167	5,019
Other employee benefit expenses	(67,592)	(71,130)	(69,349)
Facilities and depreciation expenses	(10,535)	(10,719)	(10,857)
Selling expenses	(3,879)	(4,084)	(3,858)
Other expenses	(3,556)	(3,317)	(3,656)
Profit before income tax	59,287	52,113	45,915
Profit for the year	48,434	43,346	37,966
Profit attributable to owners of our Company ⁽¹⁾	41,085	38,183	33,351
Profit attributable to non-controlling interests ⁽¹⁾	7,349	5,163	4,615
Basic and diluted EPS ⁽²⁾	5.35	4.97	4.34
Adjusted EPS (cents) ⁽³⁾	5.02	4.67	4.08
Further adjusted EPS (cents) ⁽⁴⁾	4.06	3.78	3.30

Notes:

- (1) Assuming our Company issued the maximum number of GLOW Initial Shares and completed the Initial Acquisition pursuant to the 88GLOW Plan on 1 January 2016, our profit attributable to owners of our Company for FY2016 would be increased to S\$45.4 million, while our profit attributable to non-controlling interests for FY2016 would be decreased to S\$3.1 million. Please refer to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments" of the Prospectus for further details.
- (2) Basic and diluted earnings per Share have been computed based on the pre-Offering share capital of 767,734,671 Shares.
- (3) Adjusted EPS have been computed based on the pre-Offering share capital of 818,001,972 Shares as adjusted for the issue of the maximum number of the GLOW Initial Shares, the Opp 1 Investment Shares, the Opp 1 Loyalty Shares, the Opp 2 Investment Shares, the Opp 2 Buy-in Shares and the Top-up Issuance Shares.
- (4) Further adjusted EPS have been computed based on the post-Offering share capital of 1,011,406,872 Shares (assuming the Over-allotment Option is not exercised).

Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 82 of the Prospectus for more information on our financial performance and position.

Key balance sheet information

	Year ended 31 December		
	2016	2015	2014
	S\$('000) (audited)	S\$('000) (audited)	S\$('000) (audited)
Total assets	178,259	189,818	191,645
Total liabilities	81,054	53,503	46,876
Net assets	97,205	136,315	144,769

Key cash flows information

	Year ended 31 December		
	2016	2015	2014
	S\$('000) (audited)	S\$('000) (audited)	S\$('000) (audited)
Net cash generated from operating activities	53,432	49,560	40,192
Net cash from (used in) investing activities	832	(768)	(1,563)
Net cash used in financing activities	(69,487)	(52,522)	(21,603)
Net increase (decrease) in cash and cash equivalents	(15,223)	(3,730)	17,026
Cash and cash equivalents at beginning of the year	120,803	123,574	106,330
Effects of foreign exchange rate changes	512	959	218
Cash and cash equivalents at end of year/period	106,092	120,803	123,574

The most significant factors contributing to our financial performance over the last two completed financial years are as follows:

- Our revenue increased by 2.5% (S\$9.0 million), to S\$365.0 million, in FY2016 compared to FY2015. This growth was driven primarily by organic growth in our flexible staffing segment, which accounted for S\$7.0 million of the total increase for the period, as well as continued growth in our professional recruitment segment in North Asia (comprising Hong Kong, Taipei, Guangzhou, Shanghai, Beijing, Tokyo and Seoul) which was offset by an overall slight decline in our professional recruitment segment in Singapore and the Rest of Asia (comprising Kuala Lumpur and Bangkok).
- Our sub-contractor expenses increased by 3.3% (S\$7.5 million), to S\$232.3 million, in FY2016 compared to FY2015. This increase was in line with the growth in revenue in our flexible staffing segment.
- Our gross profit increased by 1.2% (S\$1.6 million), to S\$132.8 million, from FY2015 to FY2016. Gross profit margin declined slightly, to 36.4% in FY2016 versus 36.9% in FY2015. The decline in gross margin resulted from margins for flexible staffing being squeezed under challenging market conditions in Singapore.
- Our other income increased by 18.6% (S\$1.9 million), to S\$12.1 million, from FY2015 to FY2016, in tandem with increased incentives received from the Singapore government to help employers defray the costs of certain categories of employees.
- Our operating expense and other expenses decreased by 4.1% in FY2016 compared to the prior period, primarily due to the cessation of a loyalty incentive scheme for employees as at the end of FY2015, as a result of which no further provision was made for the loyalty fund for employees in FY2016.
- Our profit for the year increased by 11.8% (S\$5.1 million), to S\$48.4 million, in FY2016 compared to FY2015.

The above factors are not the only factors contributing to our financial performance in FY2016, FY2015 and FY2014. Please refer to the other factors set out in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 82 to 101 of the Prospectus.

INVESTMENT HIGHLIGHTS

WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

We intend to further advance our growth in Asian growth cities by, amongst other things, expansion of our operations, mergers and acquisitions, joint ventures and/or partnerships. We aim to strengthen our position in this industry and region by expanding our operations in Asian growth cities using the following strategies:

- **Penetrate deeper into existing markets within Asia, especially North Asia** – In the 10 cities across Asia where we have already established a foothold, we intend to accelerate our growth and further strengthen our position by aggressively expanding our consulting force, with a particular emphasis on North Asia. According to Frost & Sullivan, the market size of North Asia (comprising Hong Kong, Taipei, Guangzhou, Shanghai, Beijing, Tokyo and Seoul) for professional recruitment and flexible staffing for FY2016 was approximately S\$46.3 billion, as compared to S\$3.6 billion for Rest of Asia (comprising Kuala Lumpur and Bangkok) and S\$1.4 billion for Singapore. Further, Frost & Sullivan estimates the professional recruitment and flexible staffing industry revenues in the aforementioned North Asian cities to grow at a CAGR of 11.5%, as compared to a CAGR of 12.4% for Rest of Asia (comprising Kuala Lumpur and Bangkok) and a CAGR of 4.0% for Singapore, between 2016 and 2021. Accordingly, due to the relative large market size of North Asia and the expected growth in revenue for the professional recruitment and flexible staffing industry revenues in cities in North Asia, we believe North Asia will drive our next stage of growth in Asia. According to Frost & Sullivan, the recruitment markets in certain cities in North Asia, such as Hong Kong and Tokyo, are also highly fragmented, therefore presenting compelling growth opportunities for us to deepen our presence. At the same time, we aim to establish ourselves as the go-to recruiter for high-demand sector niches within the specialisations we have chosen to focus in. This will allow us to channel and direct resources on specialisations in which we already have strong domain knowledge, build on our subject matter expertise, deepen our experience, and consequently sharpen our competitive edge so as to ensure that our expansion will positively impact our overall profitability.
- **Expand into selective new growth markets in Asia** – We will continue to discover new markets of growth and expand strategically into other growth cities with strong economic fundamentals and large labour markets within Asia. Such cities are expected to provide substantial market opportunity for us as economic growth and expansion spur demand for recruitment services. We believe our extensive experience and proven track record will position us strongly for expansion of our regional presence and to be the regional player that can best serve our customers' professional recruitment and flexible staffing needs. In doing so, we intend to leverage on our successful template for geographic expansion of operations as well as our centralised office functions to minimise the need for support personnel and to launch expansions into new cities with PHCs of existing offices.
- **Opportunistically seek out strategic acquisitions and partnerships** – in addition to organic growth, we will also opportunistically seek out strategic acquisitions and partnerships to further entrench ourselves in existing markets or to enter into new ones. This will enable us to improve existing or acquire new capabilities and expertise to quickly gain scale and profit leadership, especially in highly competitive cities. We have adopted a disciplined and systematic framework to carry out potential acquisitions. To identify potential acquisitions targets, we have been cultivating business relationships and strengthening the trust that the industry players have in us through face-to-face meetings and interactions with industry players. We have also engaged market research consultants to provide key data on financial, headcount and business performance of potential acquisition targets within cities in which we operate. We strive to be highly disciplined and selective in our acquisitions and partnerships. Once a target is acquired, we aim to preserve brands and existing operations that have served such targets well, and will provide our Group's infrastructure, systems and processes as set out below for the selective adoption by such acquisition targets according to their needs and work culture.

Refer to “Summary – Our Strategies” on page 41 of the Prospectus and “Business – Our Strategies” on page 147 of the Prospectus for more information on our strategies and future plans.

<ul style="list-style-type: none"> • Enhance market and profit leadership through our co-ownership model and programmes – We are committed to investing in and rewarding our co-owners and building on our co-ownership model, and have therefore developed the 123GROW and 88GLOW co-ownership programmes. We believe that these co-ownership programmes will be a strong driving force towards even higher productivity as the probability of co-owners interacting and engaging with candidates and clients with a strong sense of ownership is increased. We further believe that our co-ownership model will enable us to effectively align employees’ interests with the interests of our Group to sustain market share and profit leadership in the cities we operate in. 	
WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?	
<p>We expect that our results of operations and financial condition for 2017 will be affected by the following:</p> <ul style="list-style-type: none"> • the job market conditions and employment growth in key sectors and geographies which we operate; • the regulatory environment for the labour market in Singapore and other key markets we operate in; • changes in the nature of work and the composition of the labour market; • the proportion of contribution from our professional recruitment business relative to our flexible staffing business; • productivity of our employees; • efficiency derived from operational leverage; and • competition. <p>The above are not the only trends, uncertainties, demands, commitments or events that could affect us. Please refer to the other factors set out in the sections of the Prospectus listed in the column to the right.</p>	<p>Refer to “Risk Factors” on page 56 of the Prospectus and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 82 of the Prospectus for more information on our business and financial prospects.</p>
WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?	
<p>We consider the following to be the most important key risks which had materially affected or could materially affect our business operations, financial position and results, and your investment in our Shares.</p> <ul style="list-style-type: none"> • Investors in our Shares would face immediate and substantial dilution in NAV per Share and may experience future dilution – Our Offering Price is higher than our Group’s NAV per Share of (a) 10.9 cents as at 31 December 2016; and (b) 26.9 cents as at 31 December 2016 (adjusted for the effects of the completion of the issue of the maximum number of the GLOW Initial Shares, the Opp 1 Investment Shares, the Opp 1 Loyalty Shares, the Opp 2 Investment Shares, the Opp 2 Buy-in Shares and the Top-up Issuance Shares and further adjusted for the effects of the issue of Offering Shares and the Cornerstone Shares). The percentage dilution in pro forma NAV per Share to our new investors is 70.1%. Thus, there is an immediate and substantial dilution in the NAV per Share for investors who purchase our Shares. If we were liquidated for NAV immediately following the Offering, the issue of the Cornerstone Shares, the GLOW Initial Shares, the Opp Plans Shares and the Top-up Issuance Shares, each Shareholder subscribing to the Offering would receive less than the price they paid for their Shares. In addition, assuming the completion of the issue of the maximum number of the GLOW Initial Shares, the Opp 1 Investment Shares, the Opp 1 Loyalty Shares, the Opp 2 Investment Shares, the Opp 2 Buy-in Shares and the Top-up Issuance Shares, following the Offering and the issue of the Cornerstone Shares, GLOW Additional Shares may be issued pursuant to our 88GLOW Plan and new Shares may be issued pursuant to our HRnet GROW Plan, resulting in further dilution to investors participating in the Offering. 	<p>Refer to “Risk Factors” on page 56 of the Prospectus for more information on risk factors.</p>

- **Our business could be affected by fluctuations in general economic activity** – Demand for recruitment services could be affected by the general level of commercial activity and economic conditions in the regions and sectors in which we operate. Economic downturns could be caused by a variety of reasons beyond our control, such as adverse political and socio-economic changes, and geopolitical issues. An economic downturn in a region or sector in which we operate may adversely affect our business operations in that region or sector, as the use of temporary employees may decrease or fewer permanent employees may be hired. We may also experience more competitive pricing pressure during periods of economic downturn.
- **We face competition in our industry that may affect our financial performance** – Our business has relatively low barriers of entry for new entrants as it does not involve a highly skilled workforce and for professional recruitment, it is also relatively easy for customers to switch to our competitors as the services differentiation may be low. As such, the overall recruitment sector is highly competitive and fragmented in nature, and we face price cutting pressure from both existing competitors and new entrants. If we are unable to compete effectively with existing or new competitors in the future, particularly, in light of the changing and competitive market environment, it may materially and adversely affect our business, financial performance and financial condition.
- **We are subject to laws, regulations and policies imposed by various government and regulatory authorities which may affect the operations and/or scope of our business** – Compliance with these laws and regulations can be burdensome and impose limitations on our business and operations. Failure to comply with such laws and regulations may result in fines and penalties against us or our officers and employees, result in the cessation of business, or may otherwise have a material adverse effect on our business, financial condition, results of operations and prospects. Further, any changes in the laws, regulations or policies, or the interpretation thereof, in the jurisdictions where we operate affecting the industry in which we operate, such as privacy regulations and foreign ownership restrictions may limit our ability to source for candidates, or result in the prohibition or restriction of certain types of employment services we are permitted to offer, which in turn may have a negative effect on our business, financial condition, results of operations and prospects. Compliance with any changes in existing or new government laws, regulations or policies may also increase our costs and any significant increase in compliance costs arising from such amended or new government laws, regulations or policies may adversely affect our business, financial condition, results of operations and prospects if we are unable to pass on the increased costs to our customers.
- **Some of our subsidiaries and former subsidiaries may have been non-compliant with certain licensing requirements** – As we have operated in many countries through many entities over an extended period of time while we were privately owned, and our business historically has been subject to many licensing and regulatory requirements, some of our subsidiaries and former subsidiaries may have been engaged in business activities without the necessary licences. We cannot assure you that we, our Directors, our other officers and our employees will not be penalised for past violations for failing to hold the requisite licences, or for failing to comply with applicable laws and regulations. We also cannot assure you that any such penalties will not have a material adverse effect on our business, financial condition, results of operations and prospects.

- **We may be subject to regulatory sanctions** – Our business is subject to extensive government regulations and we may be found to be in breach of any condition of applicable licence(s) or any provision of any law, regulation, code of practice, standard of compliance or other regulatory requirement or guideline. In such event, the relevant government authorities may take action against us, our Directors, our other officers and/or our employees responsible for the breach, including issuing warnings, issuing demerit points, imposing penalties, suspending the licence (or part thereof), reducing the duration of the licence or imposing additional conditions and/or restrictions on the licence, and/or cancelling the licence (in whole or in part). There can be no guarantee that regulatory sanctions against our Group will not occur in the future, and the occurrence of any of these events may result in our business, financial condition, results of operations and prospects being adversely affected.
- **We may not be able to maintain and/or obtain approvals and licences from the relevant government authorities necessary to carry out or expand our business or to cope with future regulatory requirements** – We require certain licences to conduct our business. These licences are subject to periodic renewal by the relevant government authorities, and the standards of compliance required may change. We are subject to the supervision of these authorities, each of which may be empowered to revoke or refuse to grant and/or to extend our licences. If any of the activities carried out by us fail to meet the requirements of prevailing rules or regulations and we are held liable or responsible, or if we fail to obtain the grant or renewal of the required licences, we may have to cease such activities in the relevant jurisdictions. Penalties may also be imposed upon us. These can materially and adversely affect our business, financial condition, results of operations and prospects.

The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial position and results, and your Shares. Refer to “Risk Factors” on page 56 of the Prospectus for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in our Shares, you should consider all the information contained in the Prospectus.

WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

As at 31 December 2016, the date of our most recent balance sheet, the issued and paid-up share capital of our Company is S\$48.5 million divided into 767,734,671 Shares. Assuming the completion of the issue of the maximum number of the GLOW Initial Shares, the Opp 1 Investment Shares, the Opp 1 Loyalty Shares, the Opp 2 Investment Shares, the Opp 2 Buy-in Shares and the Top-up Issuance Shares and upon the allotment of the Offering Shares which are the subject of the Offering, the Cornerstone Shares and the Additional Shares, the resultant issued share capital of our Company will be increased to S\$276.1 million comprising 1,022,506,872 Shares.

We have only one class of Shares which have identical rights in all respects and rank equally with one another. The Offering Shares shall have the same interest and voting rights as our existing Shares that were issued prior to the Offering and there are no restrictions on the free transferability of the fully paid Shares in scripless form except where required by law or the Listing Manual.

Refer to “Share Capital and Shareholders” on page 244 of the Prospectus for more information.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The estimated net proceeds from the Offering and the issue of the Cornerstone Shares, assuming the Over-allotment Option is not exercised and after deducting the commissions and estimated expenses in relation to the Offering of approximately S\$8.2 million are estimated to be approximately S\$165.8 million. If the Over-allotment Option is exercised in full, the net proceeds from the Offering, the issue of the Cornerstone Shares and the issue of the Additional Shares are estimated to be approximately S\$175.6 million.

We intend to use the net proceeds from the Offering and the issue of the Cornerstone Shares, which amount to 95.3 cents for each Singapore dollar of gross proceeds raised from the Offering and the issue of the Cornerstone Shares, for business expansion and/or potential opportunistic acquisitions.

We are, in the ordinary course of our business, constantly evaluating opportunities for strategic acquisitions to further entrench ourselves in existing markets or to enter into new ones. Although we have not, as at the Latest Practicable Date, entered into any contractually binding arrangements or agreements for any acquisitions, we are, as at the Latest Practicable Date, in the ordinary course of our business, evaluating potential acquisitions or engaged in preliminary discussions and negotiations with counterparties in respect of such potential acquisitions.

Refer to “Summary – Our Strategies” on page 41 of the Prospectus, “Use of Proceeds” on page 73 of the Prospectus, and “Business – Our Strategies” on page 147 of the Prospectus for more information on our use of proceeds and potential acquisitions.

WILL WE BE PAYING DIVIDENDS AFTER THE OFFER?

For the year ended 31 December 2016, our Company declared interim dividends of approximately S\$1.9 million (which translates into S\$0.0025 per Share) on 2 January 2017 (of which approximately S\$0.9 million were paid in May 2017 and the remainder expected to be paid by July 2017 to our registered shareholders (save for Vanda 1) as at 2 January 2017) and approximately S\$1.9 million (which translates into S\$0.0025 per Share) on 31 March 2017 (which dividends are to be paid on 31 October 2017 to our registered shareholders (save for Vanda 1) as at 31 March 2017). Save as stated, our Company has not distributed any dividends on our Shares since its incorporation on 21 September 2016.

We currently do not have a fixed dividend policy. The declaration and payment of future dividends may be recommended by our Board at their discretion and will depend upon, amongst others, our operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements (if any), other contractual restrictions and other factors deemed relevant by our Directors. This, in turn, depends on our strategy, the successful implementation of our strategy and on financial, competitive, regulatory, general economic conditions and other factors that may be specific to us or specific to our industry, many of which are beyond our control.

However, our Directors intend to recommend and distribute dividends of 50% of our net profit after tax (excluding exceptional items) for FY2017 and FY2018 (the “**Proposed Dividends**”), as we wish to reward Shareholders for participating in our Group’s growth. However, investors should note that all the foregoing statements, including the statement on the Proposed Dividends, are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) in our Directors’ sole and absolute discretion. Investors should not treat the Proposed Dividends as an indication of our Group’s future dividend policy. No inference should be or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.

Refer to “Dividends” on page 75 of the Prospectus for more information on our dividend policy.

DEFINITIONS

123GROW Plan	:	The share plan, which comprises the Opp 1 Plan, the Opp 2 Plan and the HRnet GROW Plan, adopted by our Company on 24 May 2017
88GLOW Plan	:	Part of the restructuring plan for our Company to acquire certain minority interests in certain subsidiaries from the minority interest holders, details of which are set out in the section entitled “Corporate Reorganisation and Corporate Structure – Corporate Reorganisation” of the Prospectus
Additional Shares	:	Up to an aggregate of 11,100,000 new Shares which may be issued pursuant to the exercise of the Over-allotment Option
Company	:	HRnetGroup Limited
Cornerstone Shares	:	The Shares issued pursuant to the cornerstone subscription agreements entered into between our Company and each of Aberdeen Asset Management Asia Limited, Affin Hwang Asset Management Berhad, Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients), en-japan inc., FIL Investment Management (Hong Kong) Limited, Meiji Yasuda Asset Management Company Ltd. and TechnoPro Holdings, Inc.
Directors	:	The directors of our Company as at the date of the Prospectus
EPS	:	Earnings per Share
Frost & Sullivan	:	Frost & Sullivan GIC Malaysia Sdn Bhd
FY	:	Financial year ended or, as the case may be, ending 31 December
GLOW Additional Shares	:	Shares which are to be issued by our Company from time to time pursuant to the 88GLOW Plan (other than the Shares issued in connection with the Initial Acquisition). Any reference herein to GLOW Additional Shares for which we made an application to the SGX-ST for permission to deal in, and for quotation, and GLOW Additional Shares for which we received a letter of eligibility-to-list from the SGX-ST for the listing and quotation is a reference to up to 166,133,592 Shares.
GLOW Initial Shares	:	Up to 34,617,200 Shares which are to be issued by our Company in connection with the Initial Acquisition pursuant to the 88GLOW Plan
Group	:	Our Company and our subsidiaries
GROW Award Shares	:	The Shares which are to be issued from time to time upon the release of the share awards granted pursuant to the HRnet GROW Plan
HRnet GROW Plan	:	The post-Listing performance share plan adopted by our Company on 24 May 2017 which constitutes part of the 123GROW Plan
HRnetOne Entities, Greater China & Japan	:	HRnet One (Beijing), HRnet One (Hong Kong), HRnet One (Guangzhou), HRnet One (Japan), HRnet One (Shanghai), HRnet One (Taiwan) and HRnet consulting (Taiwan)
Initial Acquisition	:	The initial phase of the 88GLOW Plan to be implemented in connection with, but separate from the Offering, details of which are set out in the section entitled “Corporate Reorganisation and Corporate Structure – Corporate Reorganisation” of the Prospectus
Latest Practicable Date	:	15 May 2017
Listing	:	Listing of our Company on the Main Board of the SGX-ST
Listing Manual	:	Listing manual of the SGX-ST, as amended, supplemented or modified from time to time
Loyalty Fund Credit	:	Bonus entitlements given to eligible employees, details of which are set out in the section entitled “123GROW Plan” of the Prospectus
NAV	:	Net asset value excluding non-controlling interests
Offering	:	The Placement and the Public Offer
Offering Price	:	S\$0.90 for each Offering Share

Offering Shares	:	The 89,482,000 Shares offered under the Placement and the Public Offer (subject to the Over-allotment Option)
Opp 1 Bonus Shares	:	The Shares which are to be issued from time to time upon the release of the share awards granted pursuant to the Opp 1 Plan, details of which are set out in the section entitled “123GROW Plan” of the Prospectus
Opp 1 Investment Shares	:	Up to 5,427,400 Shares which are to be issued in consideration for cash pursuant to the Opp 1 Plan, details of which are set out in the section entitled “123GROW Plan” of the Prospectus
Opp 1 Loyalty Shares	:	Up to 5,427,400 Shares which are to be issued in consideration for Loyalty Fund Credits pursuant to the Opp 1 Plan, details of which are set out in the section entitled “123GROW Plan” of the Prospectus
Opp 1 Plan	:	The pre-Listing share plan adopted by our Company on 24 May 2017 which constitutes part of the 123GROW Plan, details of which are set out in the section entitled “123GROW Plan” of the Prospectus
Opp 1 Shares	:	Opp 1 Bonus Shares, Opp 1 Investment Shares and Opp 1 Loyalty Shares
Opp 2 Bonus Shares	:	The Shares which are to be issued from time to time upon the release of the share awards granted pursuant to the Opp 2 Plan, details of which are set out in the section entitled “123GROW Plan” of the Prospectus
Opp 2 Buy-in Shares	:	Up to 1,227,100 Shares which are to be issued in consideration for cash or Loyalty Fund Credits, as the case may be, pursuant to the Opp 2 Plan, details of which are set out in the section entitled “123GROW Plan” of the Prospectus
Opp 2 Investment Shares	:	Up to 1,605,500 Shares which are to be issued in consideration for cash pursuant to the Opp 2 Plan, details of which are set out in the section entitled “123GROW Plan” of the Prospectus
Opp 2 Plan	:	The pre-Listing share plan adopted by our Company on 24 May 2017 which constitutes part of the 123GROW Plan, details of which are set out in the section entitled “123GROW Plan” of the Prospectus
Opp 2 Shares	:	Opp 2 Bonus Shares, Opp 2 Buy-in Shares and Opp 2 Investment Shares
Opp Plans Shares	:	Opp 1 Shares and Opp 2 Shares
Over-allotment Option	:	An option granted by our Company to the Joint Bookrunners and Underwriters to subscribe for up to an aggregate of 11,100,000 Shares (representing 12.4% of the total number of Offering Shares) at the Offering Price, solely to cover the over-allotment of Shares (if any)
PeopleSearch Entities	:	PeopleSearch, PeopleSearch (Hong Kong), PeopleSearch (Japan), PeopleSearch (Shanghai), PeopleSearch (Taiwan), PeopleSearch Consulting and YesPay
PHC	:	Productive headcount. This refers to (i) sales personnel who achieve gross profit of at least three times of their payroll costs for the relevant financial period; or (ii) non-sales personnel who have achieved at least 80% of their key performance indicators which have been set for the relevant financial period
Placement	:	The international placement of 85,682,000 Offering Shares to investors, including institutional and other investors in Singapore, outside the United States in reliance on Regulation S
Public Offer	:	The offer of 3,800,000 Offering Shares to the public in Singapore for subscription at the Offering Price, subject to and on the terms and conditions set out in the Prospectus
SGX-ST	:	Singapore Exchange Securities Trading Limited

Shareholders	:	Registered shareholders of our Company, except where the registered holder is The Central Depository (Pte) Limited, the term “Shareholders” of our Company shall, in relation to such Shares, mean the Depositors (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) whose securities accounts are credited with Shares
Shares	:	Fully paid ordinary shares of our Company
Top-up Issuance Shares	:	The up to 1,962,701 new Shares to be issued pursuant to the investment agreement entered into between our Company, SIMCO Ltd and Vanda 1 on 21 October 2016
Vanda 1	:	Vanda 1 Investments Pte. Ltd.

Names used in this Product Highlights Sheet

Adeline Sim	:	Sim Wei Ling, Adeline (Mrs Tan Wei Ling, Adeline)
Aviel Sim	:	Sim Wei Wen, Aviel
Jennifer Kang	:	Kang Ah Eng
JS Sim	:	Sim Joo Siang
Lorenz Tay	:	Tay Yuh Shiuan
Madeline Wan	:	Wan Poh Cheng, Madeline (Yin Baozhen, Madeline)
Nelly Sim	:	Nelly Sim Nee Tan Kheng Eng
Peter Sim	:	Sim Yong Siang

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

HOW DO YOU CONTACT US?

The Company

HRnetGroup Limited

Address : 391A Orchard Road #23-06 Ngee Ann City Tower A Singapore 238873
 Telephone No. : +65 6738 6188
 Website : www.hrnetgroup.com

The Joint Bookrunners and Underwriters

Credit Suisse (Singapore) Limited

Address : One Raffles Link, #03/#04-01 South Lobby, Singapore 039393
 Telephone No. : +65 6212 2000

Deutsche Bank AG, Singapore Branch

Address : One Raffles Quay, #16-00 South Tower, Singapore 048583
 Telephone No. : +65 6423 8001

DBS Bank Ltd.

Address : 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982
 Telephone No. : 1800 111 1111

Nomura Singapore Limited

Address : 10 Marina Boulevard #36-01, Marina Bay Financial Centre Tower 2, Singapore 018983
 Telephone No. : +65 6433 6288