

**RECRUITFIRST MALAYSIA GETS FURTHER CAPITAL INJECTION
& CO-OWNER SHIFTS GEAR TO FOCUS ON FLEXIBLE STAFFING BUSINESS**

The Board of Directors of HRnetGroup Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements on the incorporation of new entity RecruitFirst Staffing Sdn. Bhd. (“**RFSM**”) on 12 October 2018 and the restructuring of RFSM on 21 December 2018.

- a. For a consideration of MYR 254,223.00, the Group has acquired from co-owner Daniel Choong the 8% economic interest that he owned in Agensi Pekerjaan HRnet One Sdn Bhd (“**HRM**”) which is in the executive search business that Daniel is no longer involved in the day-to-day operations. HRM is now led by Gavin Andrew Clyde who became a co-owner of HRM on 29 June 2018, as announced on 2 July 2018.
- b. Using MYR 145,985.00 of the proceeds from the above-mentioned transaction, Daniel participated in the Group’s third round of capitalization for the flexible staffing business at RFSM that he now operates. The additional cash injection from shareholders of RFSM totaled MYR 974,520.00, and as a result, the total paid up capital of RFSM increased from MYR 898,080.00 to MYR 1,872,600.00 for which the Group owns 91% of the total number of voting shares and 85% of the economic interest. The capital injection was made on a *pro rata* basis in respect of the issued shares of the respective classes in RFSM held by the relevant shareholders post-restructuring. The quantum of the capital injection was derived at after taking into account the working capital requirements of RFSM.

This adjustment of Daniel’s equity and economic investments is a reflection of the change in his operating portfolio intended to sharpen his focus in and channel his energies to the rapid expansion of the flexible staffing business at RecruitFirst Malaysia.

The foregoing is not expected to give rise to any material financial impact on the Group for the current financial year.

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the said transaction, other than through their respective directorships and shareholders in the Company.

The transactions are part of the Company’s continuing efforts to expand its staffing business and are in the ordinary course of its business.

By Order of the Board

Sim Yong Siang
Founding Chairman
8 March 2019

¹ The initial public offering of the Company was sponsored by Deutsche Bank AG, Singapore Branch (the “**Sole Issue Manager**”). The Sole Issue Manager assumes no responsibility for the contents of this announcement.