

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

1 (a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|  | Group     |                                      |          |         |
|--|-----------|--------------------------------------|----------|---------|
|  | 1H'20     | 1H'19                                | Change   |         |
|  | S\$'000   | S\$'000<br>(Restated) <sup>(1)</sup> | S\$'000  | %       |
| <b>Revenue</b>   | 210,337   | 212,470                              | (2,133)  | (1.0)   |
| Sub-contractor expenses  | (147,859) | (138,934)                            | (8,925)  | 6.4     |
| <b>Gross profit ("GP")</b>   | 62,478    | 73,536                               | (11,058) | (15.0)  |
| Other income   | 8,525     | 12,348                               | (3,823)  | (31.0)  |
| Selling, general, administrative and other expenses ("SG&A"):                    |           |                                      |          |         |
| Other employee benefit expenses  | (34,527)  | (36,962)                             | 2,435    | (6.6)   |
| Facilities and depreciation expenses   | (5,990)   | (5,833)                              | (157)    | 2.7     |
| Selling expenses   | (1,461)   | (2,289)                              | 828      | (36.2)  |
| Other expenses   | (1,058)   | (1,775)                              | 717      | (40.4)  |
| Finance costs on lease liabilities   | (235)     | (137)                                | (98)     | 71.5    |
|  | (43,271)  | (46,996)                             | 3,725    | (7.9)   |
| <b>Profit before income tax</b>  | 27,732    | 38,888                               | (11,156) | (28.7)  |
| Income tax expense   | (5,525)   | (6,046)                              | 521      | (8.6)   |
| <b>Profit for the period ("NPAT")</b>  | 22,207    | 32,842                               | (10,635) | (32.4)  |
| <b>Other comprehensive (loss) income:</b>  |           |                                      |          |         |
| <i>Items that will not be reclassified subsequently to profit or loss</i>        |           |                                      |          |         |
| Net fair value loss on investments in equity instruments designated as at FVTOCI | (19,088)  | -                                    | (19,088) | n.m.    |
| <i>Items that may be reclassified subsequently to profit or loss</i>             |           |                                      |          |         |
| Exchange differences on translation of foreign operations                        | 1,470     | (462)                                | 1,932    | (418.2) |
| <b>Other comprehensive (loss) income for the period, net of tax</b>              | (17,618)  | (462)                                | (17,156) | 3,713.4 |
| <b>Total comprehensive income for the period</b>                                 | 4,589     | 32,380                               | (27,791) | (85.8)  |
| <b>Profit attributable to:</b>   |           |                                      |          |         |
| Owners of the Company ("PATMI")  | 20,985    | 30,830                               | (9,845)  | (31.9)  |
| Non-controlling interests  | 1,222     | 2,012                                | (790)    | (39.3)  |
|  | 22,207    | 32,842                               | (10,635) | (32.4)  |
| <b>Total comprehensive income attributable to:</b>                               |           |                                      |          |         |
| Owners of the Company  | 3,117     | 30,447                               | (27,330) | (89.8)  |
| Non-controlling interests  | 1,472     | 1,933                                | (461)    | (23.8)  |
|  | 4,589     | 32,380                               | (27,791) | (85.8)  |

<sup>(1)</sup> The results for 1H 2019 have been restated to reflect the adjustments relating to currency translation upon finalisation of Purchase Price Allocation ("PPA") exercise in 2H 2019. This is in accordance with SFRS(I) 3 Business Combinations for the acquisition of REForce (Shanghai) Human Resources Management Consulting Co., Ltd in FY2018.

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### 1 (a) (ii) Notes to consolidated statements of profit or loss and other comprehensive income

The Group's profit for the period has been arrived at after crediting (charging) the following:

|   | <b>1H'20</b>   | <b>1H'19</b>   |
|---|----------------|----------------|
|   | <b>S\$'000</b> | <b>S\$'000</b> |
| Government subsidies  | 7,484          | 4,470          |
| Net fair value (loss) gain on financial assets mandatorily measured at FVTPL <sup>(1)</sup>           | (3,602)        | 4,675          |
| Net fair value loss on financial assets designated at FVTPL   | -              | (728)          |
| Gain on disposal of investments   | 2,360          | 1,149          |
| Interest income   | 1,357          | 2,423          |
| Dividend income   | 351            | 189            |
| Depreciation of right-of-use assets   | (4,196)        | (3,056)        |
| Depreciation of plant and equipment   | (565)          | (490)          |
| Amortisation of intangible assets (including amount arising from PPA exercise on REForce acquisition) | (149)          | (61)           |
| Share-based payment expenses  | (638)          | (564)          |
| Foreign exchange gain (loss)  | 455            | (248)          |
| Net allowance for doubtful receivables  | (51)           | (167)          |

#### Notes:

<sup>(1)</sup> FVTPL refers to fair value through profit or loss.

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

1 (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

### STATEMENTS OF FINANCIAL POSITION

|  | Group                |                      | Company              |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 30-Jun-20<br>S\$'000 | 31-Dec-19<br>S\$'000 | 30-Jun-20<br>S\$'000 | 31-Dec-19<br>S\$'000 |
| <b>ASSETS</b>  |                      |                      |                      |                      |
| <b>Current assets</b>                                  |                      |                      |                      |                      |
| Cash and cash equivalents                              | 286,399              | 266,162              | 68,835               | 76,076               |
| Trade receivables                                      | 82,855               | 74,693               | -                    | -                    |
| Other receivables and prepayments                      | 6,822                | 6,922                | 76,361               | 97,464               |
| Other financial assets                                 | 5,092                | 8,555                | 5,092                | 8,555                |
| <b>Total current assets</b>                            | <b>381,168</b>       | <b>356,332</b>       | <b>150,288</b>       | <b>182,095</b>       |
| <b>Non-current assets</b>                              |                      |                      |                      |                      |
| Pledged deposits                                       | 987                  | 1,003                | -                    | -                    |
| Plant and equipment                                    | 1,895                | 1,558                | -                    | -                    |
| Right-of-use assets                                    | 11,447               | 14,144               | -                    | -                    |
| Other intangible assets                                | 1,440                | 1,501                | -                    | -                    |
| Goodwill   | 5,185                | 5,185                | -                    | -                    |
| Subsidiaries   | -                    | -                    | 48,427               | 48,427               |
| Other financial assets                                 | 20,179               | 38,733               | 19,561               | 38,115               |
| Deferred tax assets                                    | 801                  | 808                  | -                    | -                    |
| <b>Total non-current assets</b>                        | <b>41,934</b>        | <b>62,932</b>        | <b>67,988</b>        | <b>86,542</b>        |
| <b>Total assets</b>                                    | <b>423,102</b>       | <b>419,264</b>       | <b>218,276</b>       | <b>268,637</b>       |
| <b>LIABILITIES AND EQUITY</b>                          |                      |                      |                      |                      |
| <b>Current liabilities</b>                             |                      |                      |                      |                      |
| Trade payables   | 6,348                | 6,034                | -                    | -                    |
| Other payables and accruals                            | 67,933               | 39,071               | 122                  | 83                   |
| Leases liabilities                                     | 7,251                | 7,470                | -                    | -                    |
| Deferred considerations                                | 2,936                | 2,954                | -                    | -                    |
| Income tax payable                                     | 13,113               | 9,984                | 1,129                | 1,099                |
| <b>Total current liabilities</b>                       | <b>97,581</b>        | <b>65,513</b>        | <b>1,251</b>         | <b>1,182</b>         |
| <b>Non-current liabilities</b>                         |                      |                      |                      |                      |
| Deferred tax liabilities                               | 328                  | 349                  | -                    | -                    |
| Leases liabilities                                     | 4,515                | 6,794                | -                    | -                    |
| <b>Total non-current liabilities</b>                   | <b>4,843</b>         | <b>7,143</b>         | <b>-</b>             | <b>-</b>             |
| <b>Capital, reserves and non-controlling interests</b> |                      |                      |                      |                      |
| Share capital  | 260,605              | 260,605              | 260,605              | 260,605              |
| Treasury shares  | (5,775)              | (3,631)              | (5,775)              | (3,631)              |
| Equity reserve   | (47,204)             | (47,204)             | (437)                | (437)                |
| Share-based payment reserve                            | 686                  | 1,758                | 686                  | 1,758                |
| Investments revaluation reserve                        | (44,329)             | (25,241)             | (44,329)             | (25,241)             |
| Translation reserve                                    | 980                  | (240)                | -                    | -                    |
| Retained earnings                                      | 139,717              | 145,961              | 6,275                | 34,401               |
| Equity attributable to owners of the Company           | 304,680              | 332,008              | 217,025              | 267,455              |
| Non-controlling interests                              | 15,998               | 14,600               | -                    | -                    |
| <b>Total equity</b>                                    | <b>320,678</b>       | <b>346,608</b>       | <b>217,025</b>       | <b>267,455</b>       |
| <b>Total liabilities and equity</b>                    | <b>423,102</b>       | <b>419,264</b>       | <b>218,276</b>       | <b>268,637</b>       |

**UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020**

**1 (b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year**

|  | As at 30 Jun 2020<br>S\$'000 | As at 31 Dec 2019<br>S\$'000 |
|--|------------------------------|------------------------------|
| <b><u>Leases liabilities, unsecured</u></b> <sup>(1)</sup> |                              |                              |
| Amount repayable within one year                           | 7,251                        | 7,470                        |
| Amount repayable after one year                            | 4,515                        | 6,794                        |
|  | 11,766                       | 14,264                       |

**Note:**

<sup>(1)</sup> Arose from the adoption of SFRS(I) 16 *Leases*.

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### 1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

|  | 1H'20<br>S\$'000 | 1H'19<br>S\$'000 |
|--|------------------|------------------|
| <b>Operating activities</b>  |                  |                  |
| Profit before income tax   | 27,732           | 38,888           |
| Adjustments for:   |                  |                  |
| Depreciation of plant and equipment  | 565              | 490              |
| Depreciation of right-of-use assets  | 4,196            | 3,056            |
| Amortisation of intangible assets  | 149              | 61               |
| Interest income  | (1,357)          | (2,423)          |
| Finance costs on lease liabilities   | 235              | 137              |
| Dividend income  | (351)            | (189)            |
| Share-based payment expenses   | 638              | 564              |
| Gain on disposal of investments  | (2,360)          | (1,149)          |
| Net fair value loss on financial assets designated at FVTPL                  | -                | 728              |
| Net fair value loss (gain) on financial assets mandatorily measured at FVTPL | 3,602            | (4,675)          |
| Net allowance for doubtful receivables                                       | 51               | 167              |
| <b>Operating cash flows before movements in working capital</b>              | <b>33,100</b>    | <b>35,655</b>    |
| Trade receivables  | (8,223)          | 1,053            |
| Other receivables and prepayments  | (887)            | (1,423)          |
| Trade payables   | 315              | (189)            |
| Other payables and accruals  | 29,971           | (1,896)          |
| <b>Cash generated from operations</b>  | <b>54,276</b>    | <b>33,200</b>    |
| Interest received  | 2,344            | 1,989            |
| Interest paid  | (336)            | (137)            |
| Income tax paid  | (2,510)          | (6,857)          |
| <b>Net cash from operating activities</b>                                    | <b>53,774</b>    | <b>28,195</b>    |
| <b>Investing activities</b>  |                  |                  |
| Dividends received   | 351              | 189              |
| Purchase of plant and equipment and intangible assets                        | (959)            | (459)            |
| Purchase of financial assets mandatorily measured at FVTPL                   | (12,634)         | (2,276)          |
| Proceeds from disposal of financial assets mandatorily measured at FVTPL     | 14,855           | 1,279            |
| Proceeds from disposal of financial assets designated at FVTPL               | -                | 6,763            |
| Purchase of equity instruments designated at FVTOCI                          | (535)            | (8,139)          |
| Change in ownership interest in subsidiaries                                 | -                | (82)             |
| Consideration paid on acquisition of subsidiaries                            | (76)             | (48)             |
| <b>Net cash from (used in) investing activities</b>                          | <b>1,002</b>     | <b>(2,773)</b>   |
| <b>Financing activities</b>  |                  |                  |
| Dividends paid to non-controlling shareholders                               | (1,699)          | (1,840)          |
| Dividends paid   | (28,002)         | (28,163)         |
| Proceed from (Placement of) pledged deposits                                 | 33               | (221)            |
| Purchase of treasury shares  | (3,081)          | -                |
| Capital contributions by non-controlling shareholders in subsidiaries        | 300              | 1,047            |
| Repayment of leases liabilities  | (4,009)          | (3,022)          |
| <b>Net cash used in financing activities</b>                                 | <b>(36,458)</b>  | <b>(32,199)</b>  |
| Net increase in cash and cash equivalents                                    | 18,318           | (6,777)          |
| <b>Cash and cash equivalents at beginning of the period</b>                  | <b>266,162</b>   | <b>281,810</b>   |
| Effect of foreign exchange rate changes                                      | 1,919            | (592)            |
| <b>Cash and cash equivalents at end of the period</b>                        | <b>286,399</b>   | <b>274,441</b>   |

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

### STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP

|   | Share capital<br>S\$'000 | Treasury shares<br>S\$'000 | Equity reserve<br>S\$'000 | Share-based payment reserve<br>S\$'000 | Investments revaluation reserve<br>S\$'000 | Translation reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Equity attributable to owners of the Company<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total equity<br>S\$'000 |
|---|--------------------------|----------------------------|---------------------------|--|--|--------------------------------|------------------------------|---|--------------------------------------|-------------------------|
| Balance as at 1 January 2020  | 260,605                  | (3,631)                    | (47,204)                  | 1,758                                  | (25,241)                                   | (240)                          | 145,961                      | 332,008   | 14,600                               | 346,608                 |
| <b><u>Total comprehensive income (loss) for the period</u></b>              |                          |                            |                           |  |  |                                |                              |   |                                      |                         |
| Profit for the period   | -                        | -                          | -                         | -                                      | -  | -                              | 20,985                       | 20,985  | 1,222                                | 22,207                  |
| Other comprehensive (loss) income for the period                            | -                        | -                          | -                         | -                                      | (19,088)                                   | 1,220                          | -                            | (17,868)  | 250                                  | (17,618)                |
| <b><u>Transactions with owners, recognised directly in equity</u></b>       |                          |                            |                           |  |  |                                |                              |   |                                      |                         |
| Dividends   | -                        | -                          | -                         | -                                      | -  | -                              | (28,002)                     | (28,002)  | -                                    | (28,002)                |
| Dividends paid to non-controlling shareholders                              | -                        | -                          | -                         | -                                      | -  | -                              | -                            | -   | (374)                                | (374)                   |
| Purchase of treasury shares   | -                        | (3,081)                    | -                         | -                                      | -  | -                              | -                            | (3,081)   | -                                    | (3,081)                 |
| Treasury shares reissued pursuant to Bonus Shares vested under 123GROW Plan | -                        | 937                        | -                         | (1,710)                                | -  | -                              | 773                          | -   | -                                    | -                       |
| Recognition of share-based payment  | -                        | -                          | -                         | 638                                    | -  | -                              | -                            | 638   | -                                    | 638                     |
| Capital contribution by non-controlling shareholders                        | -                        | -                          | -                         | -                                      | -  | -                              | -                            | -   | 300                                  | 300                     |
| <b>Balance as at 30 June 2020</b>   | <b>260,605</b>           | <b>(5,775)</b>             | <b>(47,204)</b>           | <b>686</b>                             | <b>(44,329)</b>                            | <b>980</b>                     | <b>139,717</b>               | <b>304,680</b>  | <b>15,998</b>                        | <b>320,678</b>          |

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP (CONT'D)

|   | Share capital<br>S\$'000 | Treasury shares<br>S\$'000 | Equity reserve<br>S\$'000 | Share-based payment reserve<br>S\$'000 | Translation reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Equity attributable to owners of the Company<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total equity<br>S\$'000 |
|---|--------------------------|----------------------------|---------------------------|--|--------------------------------|------------------------------|---|--------------------------------------|-------------------------|
| Balance as at 1 January 2019  | 260,605                  | (4,903)                    | (47,563)                  | 2,137                                  | 29                             | 122,981                      | 333,286   | 11,964                               | 345,250                 |
| <b><i>Total comprehensive income (loss) for the period</i></b>              |                          |                            |                           |  |                                |                              |   |                                      |                         |
| Profit for the period   | -                        | -                          | -                         | -                                      | -                              | 30,830                       | 30,830  | 2,012                                | 32,842                  |
| Other comprehensive loss for the period                                     | -                        | -                          | -                         | -                                      | (383)                          | -                            | (383)   | (79)                                 | (462)                   |
| <b><i>Transactions with owners, recognised directly in equity</i></b>       |                          |                            |                           |  |                                |                              |   |                                      |                         |
| Dividends   | -                        | -                          | -                         | -                                      | -                              | (28,163)                     | (28,163)  | -                                    | (28,163)                |
| Dividends paid to non-controlling shareholders                              | -                        | -                          | -                         | -                                      | -                              | -                            | -   | (541)                                | (541)                   |
| Treasury shares reissued pursuant to Bonus Shares vested under 123GROW Plan | -                        | 1,569                      | -                         | (1,569)                                | -                              | -                            | -   | -                                    | -                       |
| Recognition of share-based payment  | -                        | -                          | -                         | 564                                    | -                              | -                            | 564   | -                                    | 564                     |
| Change in ownership interests in subsidiaries                               | -                        | -                          | 4                         | -                                      | -                              | -                            | 4   | (86)                                 | (82)                    |
| Capital contribution by non-controlling shareholders                        | -                        | -                          | -                         | -                                      | -                              | -                            | -   | 1,047                                | 1,047                   |
| Liquidation of a subsidiary   | -                        | -                          | 358                       | -                                      | -                              | (358)                        | -   | -                                    | -                       |
| <b>Balance as at 30 June 2019 (Restated) <sup>(1)</sup></b>                 | <b>260,605</b>           | <b>(3,334)</b>             | <b>(47,201)</b>           | <b>1,132</b>                           | <b>(354)</b>                   | <b>125,290</b>               | <b>336,138</b>  | <b>14,317</b>                        | <b>350,455</b>          |

<sup>(1)</sup> The results for 1H 2019 have been restated to reflect the adjustments relating to currency translation upon finalisation of Purchase Price Allocation (“PPA”) exercise in 2H 2019. This is in accordance with SFRS(I) 3 Business Combinations for the acquisition of REForce (Shanghai) Human Resources Management Consulting Co., Ltd in FY2018.

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### STATEMENTS OF CHANGES IN EQUITY FOR THE COMPANY

|   | Share capital  | Treasury shares | Equity reserve | Share-based payment reserve | Investments revaluation reserve | Retained earnings | Total equity   |
|---|----------------|-----------------|----------------|-----------------------------|---------------------------------|-------------------|----------------|
|   | S\$'000        | S\$'000         | S\$'000        | S\$'000                     | S\$'000                         | S\$'000           | S\$'000        |
| <b>Balance as at 1 January 2020</b>   | <b>260,605</b> | <b>(3,631)</b>  | <b>(437)</b>   | <b>1,758</b>                | <b>(25,241)</b>                 | <b>34,401</b>     | <b>267,455</b> |
| <b><u>Total comprehensive loss for the period</u></b>                       |                |                 |                |                             |                                 |                   |                |
| Loss for the period   | -              | -               | -              | -                           | -                               | (897)             | (897)          |
| Other comprehensive loss for the period                                     | -              | -               | -              | -                           | (19,088)                        | -                 | (19,088)       |
| <b><u>Transactions with owners, recognized directly in equity</u></b>       |                |                 |                |                             |                                 |                   |                |
| Dividends   | -              | -               | -              | -                           | -                               | (28,002)          | (28,002)       |
| Purchase of treasury shares   | -              | (3,081)         | -              | -                           | -                               | -                 | (3,081)        |
| Treasury shares reissued pursuant to Bonus Shares vested under 123GROW Plan | -              | 937             | -              | (1,710)                     | -                               | 773               | -              |
| Recognition of share-based payment  | -              | -               | -              | 638                         | -                               | -                 | 638            |
| <b>Balance as at 30 June 2020</b>   | <b>260,605</b> | <b>(5,775)</b>  | <b>(437)</b>   | <b>686</b>                  | <b>(44,329)</b>                 | <b>6,275</b>      | <b>217,025</b> |

|   | Share capital  | Treasury shares | Equity reserve | Share-based payment reserve | Retained earnings | Total equity   |
|---|----------------|-----------------|----------------|-----------------------------|-------------------|----------------|
|   | S\$'000        | S\$'000         | S\$'000        | S\$'000                     | S\$'000           | S\$'000        |
| <b>Balance as at 1 January 2019</b>   | <b>260,605</b> | <b>(4,903)</b>  | <b>(437)</b>   | <b>2,137</b>                | <b>28,021</b>     | <b>285,423</b> |
| <b><u>Total Comprehensive income for the period</u></b>                     |                |                 |                |                             |                   |                |
| Profit for the period   | -              | -               | -              | -                           | 6,108             | 6,108          |
| <b><u>Transactions with owners, recognized directly in equity</u></b>       |                |                 |                |                             |                   |                |
| Dividends   | -              | -               | -              | -                           | (28,163)          | (28,163)       |
| Treasury shares reissued pursuant to Bonus Shares vested under 123GROW Plan | -              | 1,569           | -              | (1,569)                     | -                 | -              |
| Recognition of share-based payment  | -              | -               | -              | 564                         | -                 | 564            |
| <b>Balance as at 30 June 2019</b>   | <b>260,605</b> | <b>(3,334)</b>  | <b>(437)</b>   | <b>1,132</b>                | <b>5,966</b>      | <b>263,932</b> |



## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

- 1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.**

|   | Number of shares         | Share Capital<br>S\$'000 |
|---|--------------------------|--------------------------|
| As at 1 January 2020  | 1,007,072,635            | 256,974                  |
| Treasury shares purchased   | (7,015,800)              | (3,081)                  |
| Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan | 1,584,700                | 937                      |
| As at 30 June 2020  | 1,001,641,535            | 254,830                  |
|   | <b>As at 30 Jun 2020</b> | <b>As at 30 Jun 2019</b> |
| Number of treasury shares   | 9,765,337                | 3,800,200                |
| Number of issued shares excluding treasury shares                           | 1,001,641,535            | 1,007,606,672            |
| Percentage of issued shares excluding treasury shares (%)                   | 0.9749%                  | 0.3772%                  |

Save as disclosed, the Company did not have any outstanding convertibles and subsidiary holdings as at 30 June 2020, 31 December 2019 and 30 June 2019.

- 1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.**

|   | As at 30 Jun 2020 | As at 31 Dec 2019 |
|---|-------------------|-------------------|
| Issued shares                           | 1,011,406,872     | 1,011,406,872     |
| Treasury shares                         | (9,765,337)       | (4,334,237)       |
| Issued shares excluding treasury shares | 1,001,641,535     | 1,007,072,635     |

- 1 (d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year reported on.**

|   | Number of shares |
|---|------------------|
| As at 1 January 2020  | 4,334,237        |
| Treasury shares purchased   | 7,015,800        |
| Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan | (1,584,700)      |
| As at 30 June 2020  | 9,765,337        |

**UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020**

- 1 (d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on.**

The Company did not have any sales, transfers, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors of the Company.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2019.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

6. **Earnings per ordinary share of the group for the current financial year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends:-**

|                                    | Group     |           |
|------------------------------------|-----------|-----------|
|                                    | 1H'20     | 1H'19     |
| PATMI (S\$'000)                    | 20,985    | 30,830    |
| Number of shares ('000)            |           |           |
| - Basic                            | 1,003,549 | 1,005,928 |
| - Diluted                          | 1,004,710 | 1,007,761 |
| Earnings per share ("EPS") (cents) |           |           |
| - Basic                            | 2.09      | 3.06      |
| - Diluted                          | 2.09      | 3.06      |

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial year reported on; and (b) immediately preceding financial year.**

|                                   | Group       |             | Company     |             |
|-----------------------------------|-------------|-------------|-------------|-------------|
|                                   | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2020 | 31 Dec 2019 |
| Net asset value (S\$'000)         | 304,680     | 332,008     | 217,025     | 267,455     |
| Number of shares ('000)           | 1,001,642   | 1,007,073   | 1,001,642   | 1,007,073   |
| Net asset value per share (cents) | 30.42       | 32.97       | 21.67       | 26.56       |

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

### REVIEW OF THE GROUP'S PERFORMANCE

We continue to deliver quarterly revenue in excess of the S\$100m mark for the 11<sup>th</sup> consecutive quarter. Our top lines softened by **1.0%** as we clocked in revenue of **S\$210.3m** (2019: S\$212.5m). Flexible Staffing ("FS") revenue increased by 7.1% (S\$11.5m) while Professional Recruitment ("PR") revenue declined by 27.2% (S\$13.1m), resulting in the proportion of FS revenue rising from 76.5% to 82.8%.

Gross Profits ("GP") of **S\$62.5m** (2019: S\$73.5m) reflected a decline of **15.0% (S\$11.0m)** as the GP of FS (which carried a GP margin of 15.5%) increased by S\$2.4m which was more than offset by the GP of PR (which carried a 99.8% GP margin) that dropped by S\$13.0m. Overall GP margins dropped from 34.6% to **29.7%**. The proportion of GP from FS business rose from 33.3% to 43.1%.

NPAT excluding the effect from revaluation of financial assets declined by **10.7%** (S\$3.1m) to **S\$25.8m** (2019: S\$28.9m). Overall NPAT declined by **32.4%** (S\$10.6m) to **S\$22.2m** (2019: S\$32.8m).

#### Flexible Staffing

Revenue grew by 7.1% (S\$11.5m) to S\$174.1m (2019: S\$162.6m); and GP grew by 9.8% (S\$2.4m) to S\$26.9m (2019: S\$24.5m). All countries/regions of our FS operations achieved growth, except for Hong Kong. Our Singapore business contributed 87.1% (2019: 86.8%) of GP as we did very well in supporting clients in providing manpower for essential services during the Circuit Breaker. Our start-ups of 2019, namely RecruitFirst Taipei, RecruitFirst Kuala Lumpur and RecruitFirst Shanghai are also bearing fruits this year.

#### Professional Recruitment

Singapore experienced year-on-year GDP contraction of 0.3% in Q1 and 13.2% in Q2 <sup>(1)</sup>. The impact of the Circuit Breaker imposed since 7 Apr 2020 affected our Singapore PR business as GP declined by 30.5% (S\$5.0m), thereby reducing Singapore's proportion of PR business to 32.4% (2019: 34.0%). Hong Kong continued to suffer the brunt of the US-China trade war and local protests alongside the pains of the global pandemic as it walked through its longest recession with its year-on-year GDP growth slumped to -8.9% in Q1 <sup>(2)</sup> and -9.0% in Q2 <sup>(3)</sup>. GP declined 55.8% (S\$3.5m) for Hong Kong, 18.8% (S\$2.3m) for Mainland China and 16.0% (S\$1.2m) for Taiwan.

Sources:

<sup>(1)</sup> <https://www.singstat.gov.sg/-/media/files/news/gdp2q2020.pdf>

<sup>(2)</sup> <https://www.investing.com/economic-calendar/hong-kong-gdp-1071>

<sup>(3)</sup> <https://tradingeconomics.com/hong-kong/gdp-growth-annual>

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### Other P&L Items

Other income reduced by S\$3.8m to S\$8.5m (2019: S\$12.3m) mainly because of unrealised loss of S\$(3.6m) on revaluation of financial assets mandatorily measured or designated at FVTPL against last year's gain of S\$3.9m; higher government grants of S\$7.5m (2019: S\$4.5m); and higher gain of S\$2.4m (2019: S\$1.1m) on the disposal of investments.

SG&A expenses reduced by 7.9% (S\$3.7m) as our profit-sharing incentives were reduced alongside GP reductions, and variable bonuses were cut in view of lower profits. Travelling expenses also reduced by S\$0.6m due to the restricted movements between countries. Other expenses decreased because of the foreign exchange gain arising from revaluation of Hong Kong dollar denominated receivables.

### REVIEW OF GROUP'S FINANCIAL POSITION

- a. The Group's cash and cash equivalents strengthened by **S\$20.2m** to S\$286.4m (31 Dec 2019: S\$266.2m) due to
  - **S\$53.8m** cash generated from operating activities mainly comprising S\$33.1m operating cashflow before working capital changes, S\$30.0m increase in other payables and accruals, offsetting S\$8.2m increase in trade receivables;
  - **S\$1.0m** cash generated from investing activities was mainly attributable to S\$14.9m proceeds from disposal of investments, partially offset by the purchase of S\$12.6m in financial assets mandatorily measured at FVTPL and S\$1.0m in plant and equipment and intangible assets;
  - **S\$36.5m** used in financing activities mainly on S\$28.0m dividends paid to shareholders of the Company and S\$1.7m dividends paid to non-controlling shareholders, S\$4.0m repayment of lease liabilities and S\$3.1m purchase of treasury shares; and
  - **S\$1.9m** arising from the effect of foreign exchange rate changes on its cash & cash equivalents.
- b. Trade receivables increased by S\$8.2m to S\$82.9m (2019: S\$74.7m) mainly due to the increase in billings from the Singapore FS business in Q2.
- c. Other payables and accruals increased by S\$28.8m to S\$67.9m (2019: S\$39.1m) mainly due to trade related accruals, deferred income and unearned revenue.
- d. Equity instruments designated at FVTOCI relate to our investments in Staffline Group plc and Bamboos Health Care Holdings Limited; S\$ 19.1m was charged to investments revaluation reserve.

### 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year and the next 12 months.**

The 2020 economic forecasts suggest negative GDP growth expected of most of the countries/regions that we operate and invest in: the U.K. (-10.2%)<sup>(1)</sup>, Singapore (-7% to -5%)<sup>(2)</sup>, Thailand (-7.7%)<sup>(1)</sup>, Japan (-5.8%)<sup>(1)</sup>, Hong Kong (-4.8%)<sup>(3)</sup>, Malaysia (-3.8%)<sup>(1)</sup>, South Korea (-2.1%)<sup>(1)</sup>, Indonesia (-0.3%)<sup>(1)</sup>.

The GDP growth of these countries/regions are expected to be positive for 2020: Taiwan (1.7%)<sup>(4)</sup>, Mainland China (1.0%)<sup>(1)</sup>.

Even as various governments provided assistance to companies in Q2, many companies continued to experience an existential crisis. As such government assistances dry up in Q3, the real economic impact would be even more evident in Q3 and Q4.

As a recovery appears to be a protracted journey at this juncture, the Group continues to exercise caution and vigilance in credit control, operating expenditure and investment to preserve cash and resources to survive this pandemic.

Sources:

<sup>(1)</sup> <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>

<sup>(2)</sup> <https://www.singstat.gov.sg/-/media/files/news/gdp2q2020.pdf>

<sup>(3)</sup> [https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/weorept.aspx?sy=2019&ey=2021&scsm=1&ssd=1&sort=country&ds=.&br=1&pr1.x=19&pr1.y=12&c=532&s=NGDP\\_RPCH&grp=0&a=](https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/weorept.aspx?sy=2019&ey=2021&scsm=1&ssd=1&sort=country&ds=.&br=1&pr1.x=19&pr1.y=12&c=532&s=NGDP_RPCH&grp=0&a=)

<sup>(4)</sup> <https://www.dgbas.gov.tw/ct.asp?xItem=45796&ctNode=3339>

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### 11. Dividend

- a. **Whether an interim (final) ordinary dividend has been declared?**  
Nil.
- b. **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)?**  
Not applicable.
- c. **The date the dividend is payable.**  
Not applicable.
- d. **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**  
Not applicable.

### 12. If no dividend has been declared, a statement to that effect and the reason for the decision.

No interim dividend has been declared in the first half year of 2020 (first half year of 2019: nil). The Company pays a final dividend as may be recommended by the Board and approved by shareholders at the Annual General Meeting.

### 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested persons transactions.

### 14. Negative confirmation pursuant to Rule 705(5).

The Board of Directors hereby confirms, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for period ended 30 June 2020 to be false or misleading in any material aspect.

### 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7 under Rule 720(1) of the Listing Manual.

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### 16. Use of IPO proceeds

Pursuant to the Company's IPO, the Company received gross proceeds from the IPO of approximately S\$174.1m, the utilisation of which as of 30 June 2020 is set out as below:

|   | <b>Amount utilised</b> |
|---|------------------------|
|   | <b>S\$ m</b>           |
| Purchase of equity instruments designated at FVTOCI                         | 63.9                   |
| Purchase of financial assets mandatorily measured at FVTPL                  | 28.6                   |
| Purchase of financial assets designated at FVTPL                            | 6.3                    |
| Start-up of subsidiaries  | 7.6                    |
| Acquisition and investment in subsidiaries                                  | 4.1                    |
| Underwriting commission for IPO   | 4.7                    |
| Professional fees and other miscellaneous expenses (including listing fees) | 4.5                    |
|   | <u>119.7</u>           |

### By order of the Board

Sim Yong Siang  
 Founding Chairman  
 11 Aug 2020

Adeline Sim Wei Ling  
 Chief Legal Officer and Executive Director  
 11 Aug 2020