

PRESS RELEASE

HRnetGroup 1H19 PATMI¹ at S\$30.8 million, an increase of 5.2% year-on-year

Resilient bottom line despite macro headwinds

SINGAPORE, 13 August 2019 – HRnetGroup Limited (“和乐集团有限公司”) reported a net profit of S\$32.8 million for first half 2019 (“1H19”), an improvement of 5.5% year-on-year (1H18: S\$31.1m). PATMI also clocked in a similar upward movement of 5.2% to S\$30.8 million (1H18: S\$29.3m), a healthy level in the face of macro headwinds.

Revenue for 1H19 marginally decreased by 1.2% to S\$212.5 million (1H18: S\$215.0m), with gross profit softening by 3.6% to S\$73.5 million (1H18: S\$76.2m), weighed down by our businesses in Singapore where gross profit contracted by 10.8% as Singapore’s GDP growth slowed to the lowest in a decade. Fortunately this was offset somewhat by our businesses in North Asia, where both Hong Kong and China registered double-digit growth in gross profit, as well as by the contributions of the entities acquired in 2018.

Consistent with the uncertain environment across the region, hesitation in hiring saw our permanent recruitment business doing 4.2% fewer placements, with 4,256 placements made in 1H19 (1H18: 4,441).

The flexible staffing business held up with the monthly average number of contractor employees on the flexible staffing front rising 0.8% to 11,949 employees (1H18: 11,855), with Hong Kong leading the charge.

Our roll-out of the RecruitFirst brand across Asia is on track, with RecruitFirst Kuala Lumpur having opened its doors on 1 January 2019, RecruitFirst Shanghai on 1 April 2019, and RecruitFirst Taipei on 1 July 2019.

On 31 July 2019, we acquired a 25.02% stake in the largest recruiter and workforce provider in the UK – Staffline Group plc (**Staffline**), which is now an associate company of HRnetGroup. Staffline reported revenue of £1.1 billion (S\$1.83 billion), gross profit of £121.9 million (S\$203.3 million) and underlying net profits of £28.8 million (S\$48.0 million) from continuing operations, as per its audited financial statements for FY2018.

Pushing ahead with the staffing business is necessary given the uncertain business environment and political upheavals. The acquisition of the stake in Staffline provides welcome geographical diversification with a well-established company.

¹ Profit attributable to owners of the Company

Ms Adeline Sim (沈伟玲), Executive Director of HRnetGroup, said,

“The continuing uncertainty over the trade disputes has led to muted hiring particularly in Singapore. We are pushing ahead with the flexible staffing business which performs the role of a natural hedge in times of volatility. We will also continue to capitalize on growth opportunities across product offerings and geography.

Internally, we relentlessly pursue improvements in our technologies and operational frameworks in order to delight our customers, clients and employees, locking in loyalty even in down cycles.”

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About HRnetGroup Limited

HRnetGroup is a leading talent acquisition and flexible staffing firm in Asia, with operations in 13 growth cities, namely, Singapore, Kuala Lumpur, Bangkok, Indonesia, Hong Kong, Taipei, Beijing, Guangzhou, Shanghai, Shenzhen, Suzhou, Tokyo and Seoul. Since its inception in 1992, HRnetGroup, a Singapore home-grown brand, has expanded organically within the professional recruitment and flexible staffing industry. Post its listing on the Singapore Exchange in June 2017, HRnetGroup, through a series of strategic acquisitions, has further reinforced its presence across the region.

With its two complimentary operating segments, namely professional recruitment and flexible staffing, HRnetGroup serves clients from over 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. The Group offers professional recruitment services via 5 key operating brands, namely HRnetOne, PeopleSearch, SearchAsia, HRnetRimbun and REForce, the latter two being newly acquired brands in 2018. The key brands for flexible staffing include RecruitExpress, RecruitFirst and Career Personnel – the latest addition in 2018 via acquisition. HRnetGroup also offers other services such as payroll processing and HR consulting.

HRnetGroup’s growth has been driven by its solid infrastructure of systems and processes as well as its organisational culture that cultivates diligence, breakthrough performance, and integrity. In 2018, HRnetGroup won “The Enterprise Award” at the Singapore Business Awards, organized by The Business Times and DHL, in recognition of its profound influence on the recruitment scene in Singapore and the region.

For media queries, please contact:

Fadzlin Rashid

Communications Leader

6730 7855

fadzlin@hrnetgroup.com

For investor/analyst queries, please contact:

Wendy Wan

Investor Relations Leader

6730 7860

wendywan@hrnetgroup.com