

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

- 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	
	Q3'17	Q3'16
	S\$'000	S\$'000
<b>Revenue</b>	97,475	91,082
Sub-contractor expenses	(63,049)	(57,221)
<b>Gross profit</b>	34,426	33,861
Other income	1,280	758
Other employee benefit expenses	(17,630)	(17,353)
Facilities and depreciation expenses	(2,663)	(2,554)
Selling expenses	(1,019)	(1,052)
Other expenses	(745)	(739)
<b>Profit before income tax</b>	13,649	12,921
Income tax expense	(2,645)	(2,295)
<b>Profit for the period</b>	11,004	10,626
<b>Other comprehensive (loss) income:</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	(351)	418
<b>Other comprehensive (loss) income for the period, net of tax</b>	(351)	418
<b>Total comprehensive income for the period</b>	10,653	11,044
<b>Profit for the period attributable to:</b>		
Owners of the Company ("PATMI")	10,695	8,899
Non-controlling interests	309	1,727
	11,004	10,626
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	10,388	9,205
Non-controlling interests	265	1,839
	10,653	11,044

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### 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:

	Q3'17	Q3'16
	S\$'000	S\$'000
Gain on revaluation of marketable securities	494	228
Interest income	611	101
Government subsidies (WCS, SEC, TEC only) <sup>(1)</sup>	137	319

**Note:**

<sup>(1)</sup> WCS refers to Wage Credit Scheme; SEC refers to Special Employment Credit; and TEC refers to Temporary Employment Credit.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

- 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-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	276,470	106,092	178,634	9,431
Trade receivables	70,871	65,848	-	-
Other receivables and prepayments	4,837	4,185	30,315	5,572
Marketable securities	4,933	598	4,886	-
Total current assets	357,111	176,723	213,835	15,003
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	48,427	33,524
Pledged fixed deposits	704	140	-	-
Plant and equipment	836	725	-	-
Intangible assets	164	230	-	-
Deferred tax asset	544	441	-	-
Total non-current assets	2,248	1,536	48,427	33,524
<b>Total assets</b>	<b>359,359</b>	<b>178,259</b>	<b>262,262</b>	<b>48,527</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	5,778	5,698	-	-
Other payables and accruals	39,168	63,098	2,933	5
Income tax payable	7,220	12,249	76	-
Total current liabilities	52,166	81,045	3,009	5
<b>Non-current liability</b>				
Deferred tax liability	4	9	-	-
<b>Capital and reserves</b>				
Share capital	260,605	48,524	260,605	48,524
Equity reserve	(47,534)	(25,476)	(436)	-
Share-based payment reserve	623	-	623	-
Translation reserve	(2,436)	(2,298)	-	-
Retained earnings (Accumulated losses)	88,173	63,151	(1,539)	(2)
Equity attributable to owners of the Company	299,431	83,901	259,253	48,522
Non-controlling interests	7,758	13,304	-	-
Total equity	307,189	97,205	259,253	48,522
<b>Total equity and liabilities</b>	<b>359,359</b>	<b>178,259</b>	<b>262,262</b>	<b>48,527</b>

## **UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

- 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**

There were no Group's borrowings and/or debt securities as at 30 September 2017 and 31 December 2016.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

- 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

	Q3'17 S\$'000	Q3'16 S\$'000
<b><u>Operating activities</u></b>		
Profit before income tax	13,649	12,921
Adjustments for:		
Depreciation and amortisation	210	171
Interest income	(611)	(101)
Dividend income	-	(2)
Share-based payment expenses	535	-
Gain from disposal of plant and equipment	-	(16)
Gain on revaluation of marketable securities	(494)	(228)
Allowance for doubtful receivables	17	14
<b>Operating cash flows before movements in working capital</b>	<b>13,306</b>	<b>12,759</b>
Trade receivables	(1,641)	555
Other receivables and prepayments	(148)	35
Trade payables	(340)	(273)
Other payables and accruals	(1,975)	(1,264)
<b>Cash generated from operations</b>	<b>9,202</b>	<b>11,812</b>
Interest received	176	101
Income tax paid	(3,625)	(909)
<b>Net cash from operating activities</b>	<b>5,753</b>	<b>11,004</b>
<b><u>Investing activities</u></b>		
Dividend received	-	2
Purchase of plant and equipment	(47)	(60)
Proceeds from disposal of plant and equipment	-	16
Purchase of marketable securities	(4,387)	-
<b>Net cash used in investing activities</b>	<b>(4,434)</b>	<b>(42)</b>
<b><u>Financing activities</u></b>		
Dividends paid to non-controlling shareholders	(280)	(7,177)
Dividends paid	(3,456)	(43,025)
Proceeds from pledged deposits	-	60
Proceeds from non-controlling shareholder of subsidiary	-	242
<b>Net cash used in financing activities</b>	<b>(3,736)</b>	<b>(49,900)</b>
Net decrease in cash and cash equivalents	(2,417)	(38,938)
<b>Cash and cash equivalents at beginning of the period</b>	<b>279,242</b>	<b>121,818</b>
Effect of foreign exchange rate changes	(355)	888
<b>Cash and cash equivalents at end of the period</b>	<b>276,470</b>	<b>83,768</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

- 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.

### STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

	Share capital	Equity reserve	Share-based payment reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2017	258,808	(45,746)	89	(2,129)	77,478	288,500	7,493	295,993
<b><u>Total comprehensive income for the period</u></b>								
Profit for the period	-	-	-	-	10,695	10,695	309	11,004
Other comprehensive income for the period	-	-	-	(307)	-	(307)	(44)	(351)
<b><u>Transactions with owners, recognised directly in equity</u></b>								
Issuance of GLOW shares	1,797	(1,797)	-	-	-	-	-	-
Changes in ownership interests in subsidiary	-	9	-	-	-	9	-	9
Recognition of share-based payment	-	-	534	-	-	534	-	534
<b>Balance as at 30 September 2017</b>	<b>260,605</b>	<b>(47,534)</b>	<b>623</b>	<b>(2,436)</b>	<b>88,173</b>	<b>299,431</b>	<b>7,758</b>	<b>307,189</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

	Share capital	Equity reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non- controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2016	3,550	(143)	(3,340)	115,966	116,033	14,422	130,455
<b><u>Total comprehensive income for the period</u></b>							
Profit for the period	-	-	-	8,899	8,899	1,727	10,626
Other comprehensive income for the period	-	-	306	-	306	112	418
<b><u>Transactions with owners, recognised directly in equity</u></b>							
Changes in ownership interests in subsidiaries	-	-	-	540	540	47	587
Adjustment arising from restructuring exercise	-	(231)	-	-	(231)	-	(231)
Dividends	-	-	-	(61,768)	(61,768)	-	(61,768)
Dividends paid to non- controlling interest	-	-	-	-	-	(4,446)	(4,446)
<b>Balance as at 30 September 2016</b>	<b>3,550</b>	<b>(374)</b>	<b>(3,034)</b>	<b>63,637</b>	<b>63,779</b>	<b>11,862</b>	<b>75,641</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### STATEMENT OF CHANGES IN EQUITY FOR THE COMPANY

	Share capital	Equity reserve	Share- based payment reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2017	258,808	1,361	89	(2,429)	257,829
<b><u>Total Comprehensive Income</u></b>					
Profit for the period	-	-	-	890	890
<b><u>Transactions with owners, recorded directly in equity</u></b>					
Issuance of new shares	1,797	(1,797)	-	-	-
Recognition of share-based payment	-	-	534	-	534
Balance as at 30 September 2017	260,605	(436)	623	(1,539)	259,253

	Share capital	Total equity
	S\$	S\$
Date of incorporation on 21 September 2016	3	3
<b><u>Total Comprehensive Income</u></b>		
Profit for the period	-	-
Balance as at 30 September 2016	3	3



## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

- 1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 period 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 period reported on and as at the end of the corresponding period 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 period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The changes in the Company's share capital are as follows:

Issued and Fully paid-up Share Capital	Number of shares	Issued and paid-up share capital
		(S\$'000)
Share Capital as at 1 July 2017	1,009,410,472	258,808
Final issuance of GLOW Initial Shares	1,996,400	1,797
Share Capital as at 30 September 2017	<b>1,011,406,872</b>	<b>260,605</b>

The Company did not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2017 and as at 30 September 2016.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

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

The total number of issued ordinary shares, excluding treasury shares as at 30 September 2017 was 1,011,406,872 and as at 31 December 2016 was 767,734,671.

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

The Company did not have treasury shares during and as at the end of the current financial period reported on.

- 1 (c) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period 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 qualifications 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 financial statements for the period ended 30 September 2017 have been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited combined financial statements for the financial year ended 31 December 2016.

The combined financial statements incorporating the financial statements of the Company and entities controlled by the Company (its subsidiaries) have been prepared using the principles of merger accounting where the financial statement items of the merged entities for the reporting periods in which the common control combination occurs are included in the combined financial statements of the Group as if the combination had occurred from the date when the merged entities first came under the control of the same shareholder.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

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.

The Group has adopted all the new and revised Financial Reporting Standards of Singapore ("FRSs") that are effective from that date and are relevant to its operations. The adoption of these new and revised FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial period.

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

	Group	
	Q3'17	Q3'16
PATMI (\$'000)	10,695	8,899
Number of shares <sup>(1)</sup> ('000)		
- Basic	1,010,590	1,010,590
- Diluted	1,016,996	1,016,996
Earnings per share ("EPS") (cents)		
- Basic	1.06	0.88
- Diluted	1.05	0.88

**Note:**

- <sup>(1)</sup> For comparative purposes, the calculation of basic and diluted EPS are based on the number of ordinary shares of 1,010,590,276 shares and 1,016,996,476 shares respectively.

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 period reported on; and (b) immediately preceding financial year.

	Group		Company	
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
Net asset value (\$'000)	299,431	83,901	259,253	48,522
Number of ordinary shares ('000)	1,011,407	1,015,147	1,011,407	1,015,147
Net asset value per share (cents)	29.61	8.26	25.63	4.78

## **UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

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 period 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 period reported on.**

### **REVIEW OF GROUP'S PERFORMANCE**

The Group achieved a record quarter in terms of revenue and gross profit. Revenue increased by 7.0% (S\$6.4m) mainly due to flexible staffing business in Singapore registering strong growth. Sub-contractor expenses increased by 10.2% (S\$5.8m), in line with the increase in flexible staffing revenue in Singapore.

PATMI increased by 20.2% (S\$1.8m) to S\$10.7m mainly due to acquisition of non-controlling interests under 88GLOW.

### **REVIEW OF GROUP'S FINANCIAL POSITION**

There were no material factors that affected the cash flow, working capital, assets or liabilities of the group during the quarter reported on.

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 THIRD QUARTER ENDED 30 SEPTEMBER 2017

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 period and the next 12 months.**

The Group's M&A work is on track with a variety of opportunities, all of which are focused on recruitment and HR services, being steadily pursued with a view to :

- a) Leverage on each other's strengths in the market place, specializations and our infrastructure to achieve business leadership in the relevant space;
- b) Have existing owners and/or core team members of acquisition targets to be co-owners post-acquisition; and
- c) Appoint a member of the HRnetGroup senior management team as a sponsor to induct, coach, support and facilitate new co-owners to maximise the synergies.

On 9 Nov 2017, The Group signed a binding term sheet with PT Rimbun Jobs and its owners Debby Lim and Rubby Lim, to incorporate PT HRnet Rimbun Indonesia (HRnet Rimbun). This will mark HRnetGroup's return to the Indonesian market, and bring the number of cities in which HRnetGroup strategically has operations to 11. There is expected to be synergy derived from HRnet Rimbun working with the Group's other business units, in particular from supporting clients who welcome having a talent acquisition partner with strong expertise across the key cities of South-East Asia.

We expect to announce a series of further new projects in the foreseeable future.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### 11. Dividend

**(a) Any dividend declared for the current financial period reported on?**

Nil.

**(b) Corresponding period of the immediately preceding financial year?**

None that was not previously reported in the Prospectus.

**(c) Dividend payable date**

Not applicable.

**(d) Books closure date**

Not applicable.

### 12. If no dividend has been declared (recommended), a statement to that effect.

No dividend had been declared or recommended by the directors of the Company.

### 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 by the Board 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 September 2017 to be false or misleading in any material aspect.

#### By order of the Board

Sim Yong Siang  
Founding Chairman  
13 November 2017

Adeline Sim Wei Ling  
Executive Director  
13 November 2017

*The admission and listing of the Company on the Singapore Exchange Securities Trading Limited (the "Listing") was sponsored by Deutsche Bank AG, Singapore Branch. Credit Suisse (Singapore) Limited, Deutsche Bank AG, Singapore Branch, DBS Bank Ltd. and Nomura Singapore Limited were the joint bookrunners and underwriters for the Listing. Credit Suisse (Singapore) Limited, Deutsche Bank AG, Singapore Branch, DBS Bank Ltd. and Nomura Singapore Limited assume no responsibility for the contents of this Announcement.*