



HRNETGROUP LIMITED¹

(Incorporated in the Republic of Singapore)

(Company Registration No. 201625854G)

ANNOUNCEMENT

RESTRUCTURING OF RECRUITFIRST STAFFING SDN. BHD. AND AGENSI PEKERJAAN RECRUITFIRST SDN. BHD. IN MALAYSIA

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 entities RecruitFirst Staffing Sdn. Bhd. (“**RFSM**”) on 12 October 2018 and Agensi Pekerjaan RecruitFirst Sdn. Bhd. (“**RFM**”) in Malaysia on 16 October 2018.

1. Restructuring of RFSM

The Group’s investment in RFSM has been restructured following the injection of capital by the Group and the other co-owner of RFSM of an aggregate of RM898,080 in cash which resulted in the Group holding 97% of the total number of issued shares of all classes in RFSM (which represents 97% of the total number of voting shares and 85% of the economic interest in RFSM). 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. Based on the initial share capital of RFSM as at the date of its incorporation on 12 October 2018, the book value and net tangible asset value of RFSM prior to the capital injection was RM2.00.

2. Restructuring of RFM

The Group’s investment in RFM has also been restructured following the injection of capital by RFSM and the other co-owner of RFM of an aggregate of RM250,001 in cash which resulted in RFSM holding 49% of total number of issued shares of all classes in RFM (which represents 49% of the total number of voting shares and 100% of the economic interest in RFM). The capital injection was made on a *pro rata* basis in respect of the issued shares of the respective classes in RFM 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 RFM. Based on the initial share capital of RFM as at the date of its incorporation on 16 October 2018, the book value and net tangible asset value of RFM prior to the capital injection was RM2.00.

RFM is regarded as a subsidiary of the Group as the Group controls the composition of board of directors of RFM.

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.*

Subject to the obtaining of relevant licence and completing the necessary setup procedures, the Group intends to commence business operations under the brand “RecruitFirst” in Malaysia in the first quarter of 2019.

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 core business of recruitment services, and are in the ordinary course of its business.

By Order of the Board

Sim Yong Siang
Founding Chairman
21 December 2018