

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			
	2020	2019	Change	
	S\$'000	S\$'000	S\$'000	%
Revenue	433,041	423,081	9,960	2.4
Sub-contractor expenses	(303,695)	(277,523)	(26,172)	9.4
Gross profit ("GP")	129,346	145,558	(16,212)	(11.1)
Other income	17,826	17,686	140	0.8
Selling, general, administrative and other expenses ("SG&A"):				
Other employee benefit expenses	(69,124)	(73,598)	4,474	(6.1)
Facilities and depreciation expenses	(11,917)	(12,102)	185	(1.5)
Selling expenses	(3,486)	(4,671)	1,185	(25.4)
Other expenses	(3,197)	(4,167)	970	(23.3)
Finance costs	(413)	(334)	(79)	23.7
	(88,137)	(94,872)	6,735	(7.1)
Profit before income tax	59,035	68,372	(9,337)	(13.7)
Income tax expense	(9,246)	(12,596)	3,350	(26.6)
Profit for the year ("NPAT")	49,789	55,776	(5,987)	(10.7)
Other comprehensive loss :				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign exchange differences on translation of foreign operations	1,495	(335)	1,830	(546.3)
<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	(17,422)	(25,241)	7,819	(31.0)
Other comprehensive loss for the year, net of tax	(15,927)	(25,576)	9,649	(37.7)
Total comprehensive income for the year	33,862	30,200	3,662	12.1
Profit attributable to:				
Owners of the Company ("PATMI")	46,865	51,604	(4,739)	(9.2)
Non-controlling interests	2,924	4,172	(1,248)	(29.9)
	49,789	55,776	(5,987)	(10.7)
Total comprehensive income attributable to:				
Owners of the Company	30,618	26,094	4,524	17.3
Non-controlling interests	3,244	4,106	(862)	(21.0)
	33,862	30,200	3,662	12.1

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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:

	2020	2019
	S\$'000	S\$'000
Gain on disposal of investments	2,551	6,096
Net fair value (loss) gain on financial assets mandatorily measured at FVTPL ⁽¹⁾	(1,113)	1,602
Interest income	2,177	4,313
Government subsidies ⁽²⁾	11,678	4,617
Dividend income	629	730
Allowance for doubtful receivables	(781)	(126)
Fair value loss on deferred consideration	(928)	(17)
Amortisation of intangible assets	(305)	(343)
Depreciation of plant and equipment	(1,169)	(1,024)
Depreciation of right-of-use assets	(8,282)	(5,278)
Expenses relating to short-term leases	(18)	(2,836)
Share-based payment expenses	(640)	(1,190)
Foreign exchange gain (loss)	450	(1,024)

Note:

⁽¹⁾ FVTPL refers to fair value through profit or loss.

⁽²⁾ Relates to Wage Credit Scheme and Special Employment Credit given by the Singapore government, and pandemic-related grants, subsidies and reliefs from the various governments of countries that the Group operates in.

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	
	31-Dec-20 S\$'000	31-Dec-19 S\$'000	31-Dec-20 S\$'000	31-Dec-19 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	332,234	266,162	76,725	76,076
Trade receivables	66,261	74,693	-	-
Other receivables and prepayments	6,615	6,922	98,809	97,464
Other financial assets	6,886	8,555	6,886	8,555
Total current assets	411,996	356,332	182,420	182,095
Non-current assets				
Pledged deposits	988	1,003	-	-
Plant and equipment	1,503	1,558	-	-
Right-of-use assets	8,202	14,144	-	-
Other intangible assets	1,353	1,501	-	-
Goodwill	5,185	5,185	-	-
Subsidiaries	-	-	48,427	48,427
Other financial assets	21,838	38,733	21,220	38,115
Deferred tax assets	1,314	808	-	-
Total non-current assets	40,383	62,932	69,647	86,542
Total assets	452,379	419,264	252,067	268,637
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	6,478	6,034	-	-
Other payables and accruals	75,591	39,071	4,791	83
Lease liabilities	5,893	7,470	-	-
Deferred considerations	3,942	2,954	-	-
Income tax payable	10,361	9,984	645	1,099
Total current liabilities	102,265	65,513	5,436	1,182
Non-current liabilities				
Deferred tax liabilities	323	349	-	-
Lease liabilities	2,643	6,794	-	-
Total non-current liabilities	2,966	7,143	-	-
Capital, reserves and non-controlling interests				
Share capital	260,605	260,605	260,605	260,605
Treasury shares	(5,153)	(3,631)	(5,153)	(3,631)
Equity reserve	(47,656)	(47,204)	(437)	(437)
Share-based payment reserve	-	1,758	-	1,758
Investments revaluation reserve	(42,663)	(25,241)	(42,663)	(25,241)
Translation reserve	935	(240)	-	-
Retained earnings	165,598	145,961	34,279	34,401
Equity attributable to owners of the Company	331,666	332,008	246,631	267,455
Non-controlling interests	15,482	14,600	-	-
Total equity	347,148	346,608	246,631	267,455
Total liabilities and equity	452,379	419,264	252,067	268,637

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 31 Dec 2020	As at 31 Dec 2019
	S\$'000	S\$'000
<u>Leases liabilities, unsecured</u>		
Amount repayable within one year	5,893	7,470
Amount repayable after one year	2,643	6,794
	<hr/> 8,536	<hr/> 14,264

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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

	2020 S\$'000	2019 S\$'000
<u>Operating activities</u>		
Profit before income tax	59,035	68,372
Adjustments for:		
Depreciation of plant and equipment	1,169	1,024
Depreciation of right-of-use assets	8,282	5,278
Amortisation of intangible assets	305	343
Interest income	(2,177)	(4,313)
Finance costs	413	334
Dividend income	(629)	(730)
Share-based payment expenses	640	1,190
Gain on disposal of plant and equipment	-	(2)
Gain on disposal of investments	(2,551)	(6,096)
Net fair value loss (gain) on financial assets mandatorily measured at FVTPL	1,113	(1,602)
Fair value loss on deferred consideration	928	17
Negative variable lease payment	(64)	-
Allowance for doubtful receivables	781	126
Operating cash flows before movements in working capital	67,245	63,941
Trade receivables	7,667	6,447
Other receivables and prepayments	(570)	(977)
Trade payables	445	(452)
Other payables and accruals	36,491	(350)
Cash generated from operations	111,278	68,609
Interest received	3,129	4,264
Interest paid	(413)	(334)
Income tax paid	(9,534)	(13,242)
Net cash from operating activities	104,460	59,297

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	2020	2019
	S\$'000	S\$'000
<u>Investing activities</u>		
Dividends received	540	730
Purchase of plant and equipment and intangible assets	(1,231)	(1,276)
Proceeds from disposal of plant and equipment	-	5
Purchase of financial assets mandatorily measured at FVTPL	(14,926)	(6,594)
Proceeds from disposal of financial assets mandatorily measured at FVTPL	18,032	21,522
Proceeds from disposal of financial assets designated at FVTPL	-	6,764
Proceed from disposal of quoted debt instrument at amortised cost	-	5,053
Purchase of equity instruments designated at FVTOCI	(528)	(63,356)
Change in ownership interests in subsidiaries	(1,479)	(285)
Consideration paid on acquisition of subsidiaries	(76)	(2,163)
Net cash from (used in) investing activities	332	(39,600)
<u>Financing activities</u>		
Dividends paid to non-controlling shareholders	(2,066)	(1,841)
Dividends paid	(28,002)	(28,163)
Net withdrawal (placement) of pledged deposits	34	(162)
Purchase of treasury shares	(3,146)	(331)
Capital contributions by non-controlling shareholders in subsidiaries	300	1,047
Repayment of leases liabilities	(8,022)	(5,149)
Net cash used in financing activities	(40,902)	(34,599)
Net increase (decrease) in cash and cash equivalents	63,890	(14,902)
Cash and cash equivalents at beginning of the year	266,162	281,810
Effect of foreign exchange rate changes	2,182	(746)
Cash and cash equivalents at end of the year	332,234	266,162

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	Treasury shares	Equity reserve	Share-based payment reserve	Investments revaluation reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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
<i>Total comprehensive income (loss) for the year</i>										
Profit for the year	-	-	-	-	-	-	46,865	46,865	2,924	49,789
Other comprehensive (loss) income for the year	-	-	-	-	(17,422)	1,175	-	(16,247)	320	(15,927)
<i>Transactions with owners, recognised directly in equity</i>										
Dividends	-	-	-	-	-	-	(28,002)	(28,002)	-	(28,002)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(1,635)	(1,635)
Purchase of treasury shares	-	(3,146)	-	-	-	-	-	(3,146)	-	(3,146)
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	-	1,624	-	(2,398)	-	-	774	-	-	-
Recognition of share-based payment	-	-	-	640	-	-	-	640	-	640
Change in ownership interests in subsidiaries	-	-	(452)	-	-	-	-	(452)	(1,027)	(1,479)
Capital contribution by non-controlling shareholders	-	-	-	-	-	-	-	-	300	300
Balance as at 31 December 2020	260,605	(5,153)	(47,656)	-	(42,663)	935	165,598	331,666	15,482	347,148

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP

	Share capital	Treasury shares	Equity reserve	Share-based payment reserve	Investments revaluation reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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
<u>Total comprehensive income (loss) for the year</u>										
Profit for the year	-	-	-	-	-	-	51,604	51,604	4,172	55,776
Other comprehensive loss for the year	-	-	-	-	(25,241)	(269)	-	(25,510)	(66)	(25,576)
<u>Transactions with owners, recognised directly in equity</u>										
Dividends	-	-	-	-	-	-	(28,163)	(28,163)	-	(28,163)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(2,334)	(2,334)
Purchase of treasury shares	-	(331)	-	-	-	-	-	(331)	-	(331)
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	-	1,569	-	(1,569)	-	-	-	-	-	-
Treasury shares reissued in connection with Rimbun's deferred consideration	-	34	-	-	-	-	-	34	-	34
Recognition of share-based payment	-	-	-	1,190	-	-	-	1,190	-	1,190
Change in ownership interests in subsidiaries	-	-	1	-	-	-	(103)	(102)	(183)	(285)
Capital contribution by non-controlling shareholders	-	-	-	-	-	-	-	-	1,047	1,047
Liquidation of a subsidiary	-	-	358	-	-	-	(358)	-	-	-
Balance as at 31 December 2019	260,605	(3,631)	(47,204)	1,758	(25,241)	(240)	145,961	332,008	14,600	346,608

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

STATEMENTS OF CHANGES IN EQUITY FOR THE COMPANY

	Share capital	Treasury shares	Equity reserve	Investments revaluation reserve	Share-based payment reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2020	260,605	(3,631)	(437)	(25,241)	1,758	34,401	267,455
<u>Total comprehensive income (loss) for the year</u>							
Profit for the year	-	-	-	-	-	27,106	27,106
Other comprehensive loss for the year	-	-	-	(17,422)	-	-	(17,422)
<u>Transactions with owners, recognised directly in equity</u>							
Dividends	-	-	-	-	-	(28,002)	(28,002)
Purchase of treasury shares	-	(3,146)	-	-	-	-	(3,146)
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	-	1,624	-	-	(2,398)	774	-
Recognition of share-based payment	-	-	-	-	640	-	640
Balance as at 31 December 2020	260,605	(5,153)	(437)	(42,663)	-	34,279	246,631

	Share capital	Treasury shares	Equity reserve	Investments revaluation reserve	Share-based payment reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019	260,605	(4,903)	(437)	-	2,137	28,021	285,423
<u>Total comprehensive income (loss) for the year</u>							
Profit for the year	-	-	-	-	-	34,543	34,543
Other comprehensive loss for the year	-	-	-	(25,241)	-	-	(25,241)
<u>Transactions with owners, recognised directly in equity</u>							
Dividends	-	-	-	-	-	(28,163)	(28,163)
Purchase of treasury shares	-	(331)	-	-	-	-	(331)
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	-	1,569	-	-	(1,569)	-	-
Treasury shares reissued in connection with Rimbun's deferred consideration	-	34	-	-	-	-	34
Recognition of share-based payment	-	-	-	-	1,190	-	1,190
Balance as at 31 December 2019	260,605	(3,631)	(437)	(25,241)	1,758	34,401	267,455

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 S\$'000
As at 1 January 2020	1,007,072,635	256,974
Treasury shares purchased	(7,146,800)	(3,146)
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	2,746,300	1,624
As at 31 December 2020	<u>1,002,672,135</u>	<u>255,452</u>
	As at 31 Dec 2020	As at 31 Dec 2019
Number of treasury shares	8,734,737	4,334,237
Number of issued shares excluding treasury shares	1,002,672,135	1,007,072,635
Treasury shares as a percentage of issued shares excluding treasury shares (%)	0.8711	0.4304

Save as disclosed, the Company did not have any outstanding convertibles and subsidiary holdings as at 31 December 2020 and 31 December 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 31 Dec 2020	As at 31 Dec 2019
Issued shares	1,011,406,872	1,011,406,872
Treasury shares	(8,734,737)	(4,334,237)
Issued shares excluding treasury shares	<u>1,002,672,135</u>	<u>1,007,072,635</u>

- 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	7,146,800
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	(2,746,300)
As at 31 December 2020	<u>8,734,737</u>

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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.**

Not applicable.

- 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 FINANCIAL YEAR ENDED 31 DECEMBER 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	
	2020	2019
PATMI (S\$'000)	46,865	51,604
Number of shares ('000)		
- Basic	1,003,124	1,006,605
- Diluted	1,003,124	1,009,496
Earnings per share ("EPS") (cents)		
- Basic	4.67	5.13
- Diluted	4.67	5.11

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	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value (S\$'000)	331,666	332,008	246,631	267,455
Number of ordinary shares ('000)	1,002,672	1,007,073	1,002,672	1,007,073
Net asset value per share (cents)	33.08	32.97	24.60	26.56

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 GROUP'S PERFORMANCE

HRnetGroup 2020 Full Year Financial Results

Good dividends, solid profits, strong cash position Record year of revenue & flexible staffing

- **Revenue** : S\$433.0m, record high
- **Profits** : S\$49.8m, healthy profit margin 11.5%¹
- **Dividends** : S\$25.1m, 4.4% yield²
- **Cash**³ : S\$332.2m, no borrowings
- **Contractor employees helped** : 42,998
- **Permanent placements** : 7,022

¹ Based on NPAT divided by Revenue

² Based S\$0.025 proposed dividends* divided by closing price of S\$0.57 on 25 Feb 2021

*Proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting

³ Refers to cash and cash equivalents

HRnetGroup Limited (“the Group”), the largest recruitment group in Asia (ex-Japan), achieved record revenue of S\$433.0m (2019: S\$423.1m) despite the pandemic.

Flexible staffing (“FS”) recorded an all-time high of 14,347 contractor employees in our December payroll, an increase of 13.7% against same month last year. The Group helped 42,998 (2019: 40,410) people secure employment in contract and temporary roles, an increase of 6.4%.

RecruitFirst start-ups in Taipei, Kuala Lumpur, Shanghai benefited from a full year of operation in 2020; and RecruitFirst was launched in Jakarta in 2020.

Revenue from the healthcare sector grew by 28.0% to constitute 14.4% (2020: 11.5%) of total revenue; and the government sector grew by 68.2% to constitute 17.3% (2020: 10.5%).

GP margin averaged 29.9% (2019: 34.4%) as FS (which carried a GP margin of 15.5%, compared to professional recruitment (“PR”)’s 99.7%) increased to 82.6% of revenue by 6.0 percentage points.

Other income was S\$17.8m (2019: S\$17.7m) as the reduction in disposal and net fair value gain on financial assets mandatorily measured at FVTPL was compensated by the grants, subsidies and reliefs relating to the pandemic, from various governments of those geographies that the Group operates in.

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Selling, general, administrative and other expenses reduced by S\$6.7m primarily due to the reduction of

- S\$4.5m in other employee benefit expenses including S\$2.7m reduction in profit-sharing incentives, S\$0.9m China government exemption in contribution to social insurance, and S\$0.6m lower share-based payment expenses as the 123GROW Plan expired on 1 July 2020;
- S\$1.2m in selling expenses including S\$1.4m in business travel, S\$0.3m in telecommunications and entertainment, offset by S\$(0.7m) increase in bad debts provision; and
- S\$1.0m in other expenses including
 - S\$1.5m arising from foreign exchange gain of \$0.5m compared to a loss of S\$(1.0m) in the prior year; and
 - S\$0.3m professional fees and printing expenses
 - offsetting S\$(0.9m) increase in deferred consideration for the final tranche payments relating to the acquisitions of REForce (Shanghai) Human Resources Management Consulting Co., Ltd (“REForce”)⁴ and PT Rimbun Job Agency

⁴ In view of the difficult trading conditions in Q1 2020, the Company agreed to the proposal by vendors of REForce to change the profit basis period relating to the calculation of the final tranche of consideration from the period commencing 1 September 2019 through 31 August 2020 (“SPA basis”) to the period commencing 1 April 2020 through 31 March 2021. The impact of this change from SPA basis is estimated to be an additional consideration of S\$1.6m.

REVIEW OF GROUP’S FINANCIAL POSITION

The Group’s cash position strengthened by S\$66.0m to S\$332.2m due to:

- a. S\$104.5m generated from operating activities mainly comprising S\$67.2m operating cash flows before movements in working capital, S\$7.7m decrease in trade receivables, S\$36.5m increase in other payables and accruals offset by S\$(9.5m) income taxes paid;
- b. S\$0.3m generated from investing activities mainly comprising S\$18.0m proceeds from disposal of investment offsetting S\$(14.9m) purchase of financial assets mandatorily measured at FVTPL, S\$(1.2m) purchase of plant and equipment and intangible assets, S\$(1.5m) change in ownership interests in subsidiaries, S\$0.3m capital contribution by non-controlling shareholders in subsidiaries;
- c. S\$(40.9m) used in financing activities mainly comprising S\$(30.1m) dividends paid, S\$(3.1m) purchase of treasury shares and S\$(8.0m) repayment of lease liabilities; and
- d. S\$2.1m arising from the effect of foreign exchange rate changes on cash & cash equivalents.

Dividend payout is recommended to maintain at 50% which will reward shareholders with 2.5 cents per share, totalling S\$25.1m.

Trade receivables decreased by S\$8.4m due to the clearance and offset of trade related credits agreed with clients.

Equity instruments designated at FVTOCI decreased by S\$17.4m as a reflection of the market price movements of our investments in Staffline and Bamboos.

Other payables and accruals increased by S\$36.5m due to trade related accruals, unearned revenue and payroll liabilities.

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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.

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.**

In sharp contrast with the negative 2020 GDP growth rates in most of the countries/regions that the Group operated and invested in, all the positive economic forecasts for 2021 suggest the possibility of a macro recovery. Operationally, our FS performance has been on a steady upward trend throughout 2020, while the decline in PR slowed down in Q4 2020 and Q1 2021 seems to show signs of a possible recovery. As such, the Group is cautiously optimistic of the outlook for 2021 and remains vigilant to make necessary adjustments to thrive in the new norm.

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. Dividend

a. Any dividend declared for the current financial year reported on?

The Directors are pleased to propose the payment of a tax-exempt (one-tier) final dividend of 2.5 cents per ordinary share, in respect of the financial year ended 31 December 2020, subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (in cents)	2.5 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

b. Corresponding year of the immediately preceding financial year?

For the financial year ended 31 December 2020, a tax-exempt (one-tier) dividend of 2.8 cents per ordinary share was paid to registered shareholders.

c. The date the dividend is payable.

Subject to approval by the shareholders at the forthcoming Annual General Meeting, the payment date of the proposed dividend will be announced at a later date.

d. The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Subject to approval by the shareholders at the forthcoming Annual General Meeting, the books closure date will be announced at a later date.

12. 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.

13. 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 FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

SEGMENT INFORMATION

Business segment revenue, gross profit and results

	Revenue		Gross Profit	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Professional recruitment	72,595	95,926	72,403	95,591
Flexible staffing	357,552	324,165	55,350	48,267
Others	2,894	2,990	1,593	1,700
	433,041	423,081	129,346	145,558

	Results	
	2020	2019
	S\$'000	S\$'000
Other income	17,826	17,686
Other employee benefit expenses	(69,124)	(73,598)
Facilities and depreciation expenses	(11,917)	(12,102)
Selling expenses	(3,486)	(4,671)
Other expenses	(3,197)	(4,167)
Finance costs	(413)	(334)
Profit before income tax	59,035	68,372

Geographical segment revenue and gross profit

	Revenue		Gross Profit	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	311,927	300,218	70,514	73,919
North Asia	110,759	113,919	54,712	66,575
Rest of Asia	10,355	8,944	4,120	5,064
	433,041	423,081	129,346	145,558

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Note 8.

16. A breakdown of sales.

Breakdown of Revenue and Results

	Group		
	2020 S\$'000	2019 S\$'000	Change %
<u>First Half</u>			
Revenue reported for the first half-year	210,337	212,470	-1.0
Profit after tax reported for the first half-year	22,207	32,842	-32.4
<u>Second Half</u>			
Revenue reported for the second half-year	222,704	210,611	5.7
Profit after tax reported for the second half-year	27,582	22,934	20.3

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	2020 S\$'000	2019 S\$'000
<u>Annual Dividend</u>		
Ordinary Dividend		
- Final [#]	25,067	28,198

[#] The proposed final one-tier tax exempt dividends in respect of 2020 is subject to shareholders' approval at the forthcoming Annual General Meeting of the company.

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Sim Yong Siang	68	<p>Brother of Sim Joo Siang (Executive Director and Deemed Substantial Shareholder of HRnetGroup Limited, Director of Recruit Express Pte Ltd).</p> <p>Father of Sim Wei Ling, Adeline (Director, Deemed Substantial Shareholder and General Counsel of HRnetGroup Limited).</p> <p>Husband of Sim Nelly Nee Tan Kheng Eng (Deemed Substantial Shareholder of HRnetGroup Limited, Director of HRnet One Pte Ltd).</p> <p>Father of Sim Wei Wen, Aviel (Deemed Substantial Shareholder of HRnetGroup Limited).</p>	<p>Founding Chairman and Executive Director of the Company since 21 September 2016, Director of HRnet One Pte Ltd since 9 April 1992, Recruit Express Pte Ltd since 22 February 1996.</p>	None
Sim Joo Siang	64	<p>Brother of Sim Yong Siang (Founding Chairman, Executive Director and Deemed Substantial Shareholder of HRnetGroup Limited, Director of HRnet One Pte Ltd).</p> <p>Uncle of Sim Wei Ling, Adeline (Director, Deemed Substantial Shareholder and General Counsel of HRnetGroup Limited).</p> <p>Brother-in-law of Sim Nelly Nee Tan Kheng Eng (Deemed Substantial Shareholder of HRnetGroup Limited, Director of HRnet One Pte Ltd).</p> <p>Uncle of Sim Wei Wen, Aviel (Deemed Substantial Shareholder of HRnetGroup Limited).</p>	<p>Executive Director of the Company since 21 September 2016, Director of Recruit Express Pte Ltd since 1 April 1999.</p>	None

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Sim Wei Ling, Adeline	41	<p>Daughter of Sim Yong Siang (Founding Chairman, Executive Director and Deemed Substantial Shareholder of HRnetGroup Limited, Director of HRnet One Pte Ltd, Recruit Express Pte Ltd).</p> <p>Niece of Sim Joo Siang (Executive Director and Deemed Substantial Shareholder of HRnetGroup Limited, Director of Recruit Express Pte Ltd).</p> <p>Daughter of Sim Nelly Nee Tan Kheng Eng (Deemed Substantial Shareholder of HRnetGroup Limited, Director of HRnet One Pte Ltd).</p> <p>Sister of Sim Wei Wen, Aviel (Deemed Substantial Shareholder of HRnetGroup Limited).</p>	Executive Director of the Company since 16 May 2019, Chief Legal Officer of the Company since 26 February 2020.	None

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. Use of IPO proceeds

Pursuant to the Company's IPO, the Company received gross proceeds from the IPO of approximately S\$174.1 million.

The utilisation of the gross proceeds from the Company's initial public offering as of 31 December 2020 is set out as below:

	Amount utilised
	S\$ million
Underwriting commission	4.7
Professional fees and other miscellaneous expenses (including listing fees)	4.4
Purchase of financial assets mandatorily measured at FVTPL	28.6
Purchase of financial assets designated at FVTPL	6.4
Purchase of equity instrument designated at FVTOCI	64.0
Acquisition and investment in subsidiaries	4.1
Start-up of subsidiaries	7.6
	<u>119.8</u>

By order of the Board

Sim Yong Siang
 Founding Chairman
 26 February 2021

Adeline Sim Wei Ling
 Chief Legal Officer and Executive Director
 26 February 2021