

REForce Xi'an Branch

HRnetGroup's 16th City of Operation in Asia & 7th in Mainland China

The Board of Directors of HRnetGroup Limited is pleased to announce the successful registration of the Xi'an branch and procurement of the local recruitment licence of its subsidiary REForce (Shanghai) Human Resources Management Consulting Co., Ltd (**REForce**), to expand further in China. This marks the incubation of the Group's 16th city of operation in Asia, and 7th city in Mainland China now covering Shanghai, Suzhou, Beijing, Xi'an, Chengdu, Guangzhou and Shenzhen.

REForce Xi'an is the latest organic expansion of REForce's professional recruitment business which the Group had acquired 51% interest in 2018. Over the last 4 years, REForce has seen its heartcount grow 200% to 120. The successful partnering has inspired the establishment of the REForce Chengdu branch last year and spun off a new JV unit RecruitFast Shanghai this year.

Xi'an is the second most populous city in Northwestern China, with a population of 13 million people. With a GDP of CNY 1.15 trillion, it is the largest economy in the Shaanxi province, known for the science, technology and engineering industries. Home to 120 semiconductor design companies whose products cover communications, storage, and the internet of things, Xi'an has the reputation of a leading city for scientific research that is backed by 60 local universities producing a strong pipeline of talents for cultivation into a cost-effective and highly skilled workforce. The government's efforts in developing Xi'an as the core hub to advance the opening up of the Shaanxi province will create huge opportunities for stronger investment and trade.

(Source: Xi'an China-This is Xi'an (xa.gov.cn); China | Culture, History, Maps, & People | Britannica)



(Source: Harrison Qi, Unsplash.com)

Founding Chairman Sim Yong Siang commented:

"Whilst the potential of the talent market in China is huge, the landscape and complexion keep changing; hence we must continue to expand on all fronts to build capabilities and readiness to seize opportunities. We are pursuing a long-term strategy with a strong intent to widen our reach and deepen our specializations in every growth city within China that we believe is ready for our product offerings in professional recruitment, flexible staffing and recruitment process outsourcing."

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 have any interest, direct or indirect, in the said transaction, other than through their respective directorships and shareholdings in the Company.

The startup is part of the Company's continuing efforts to expand its recruitment business, and is in the ordinary course of its business.

By Order of the Board

Sim Yong Siang

Founding Chairman

15 May 2023