

An Engagement of 2 Giants

HRnetGroup Limited & TechnoPro Holdings, Inc.

- *HRnetGroup Limited (HRnetGroup) – the largest Asia- based recruitment agency in Asia Pacific (excluding Japan) listed on the Mainboard of the Singapore Exchange on 16 June 2017*
- *TechnoPro Holdings, Inc. (TechnoPro) – the largest engineering staffing firm in Japan listed on the Tokyo Stock Exchange*
- *HRnetGroup & TechnoPro have entered into a Capital and Business Alliance Agreement*

SINGAPORE, 31 July 2017 – HRnetGroup Limited (“和乐集团有限公司”), the largest Asia-based recruitment agency in Asia Pacific (excluding Japan),¹ announced today that it has entered into a Capital and Business Alliance Agreement with TechnoPro Holdings, Inc – the largest engineering staffing firm in Japan.

The two giants in the recruitment space in Asia are joining forces on various fronts, including:

- jointly deepening commercial engagements with Japanese companies operating across the Asia Pacific region;
- taking on a dominant role in the executive placement industry in Japan; and
- developing the engineering outsourcing and placement business in Asia.

HRnetGroup will also be closely supporting TechnoPro in acquiring the more than 2,000 additional engineering talents it needs every year.

Both companies have agreed to establish a cross-shareholding structure that will see both parties owning up to 3% of the other party by 31 March 2018.

In the meantime, an alliance committee has been formed to plan for co-investments in other human resource related businesses across Asia, equity restructuring activities and potential joint venture arrangements including any mergers, acquisitions or disposals of corporate entities, as well as the fostering of a closer capital alliance.

Background

HRnetGroup is the largest Asia-based recruitment agency in Asia Pacific (excluding Japan).² It currently operates in 10 Asian growth cities, namely, Singapore, Kuala Lumpur, Bangkok, Hong Kong, Taipei, Guangzhou, Shanghai, Beijing, Tokyo and Seoul. According to Frost & Sullivan, HRnetGroup is the largest recruitment player by revenue in Singapore, with a market share of 20.5%.

HRnetGroup's strategy is to be the dominant professional recruitment and flexible staffing firm in Asian growth cities with high levels of commercial activities and job opportunities, large and growing populations with sizeable labour force and young population demographics, so as to maintain its strong growth trajectory without affecting profitability. HRnetGroup intends to focus on existing markets within Asia, especially North Asia. The company will also opportunistically seek out strategic acquisitions and partnerships to further entrench itself in existing markets or to enter into new ones.

TechnoPro invested JPY 2,176 million³ in HRnet by way of a cornerstone subscription agreement TechnoPro entered into on May 26, 2017. On June 16, 2017, HRnet undertook an initial public offering on the Main Board of the Singapore Exchange Securities Trading Limited.

TechnoPro expects an increase in demand for highly skilled foreign professionals in Japan, due to the shortage of supply for domestic engineers as reflected in the Japan Revitalization Strategy 2016 report. Accordingly, TechnoPro views expansion in Asia as indispensable for both delivering more value to clients, and acquiring engineers as its own driver of growth.

Issued by HRnetGroup Limited

Please direct all queries to:
Fadzlin Rashid
Communications & Digital Marketing Manager
Tel: 65 6730 7855
fadzlin@hrnetone.com

² As compared to other key players within the professional recruitment and flexible staffing industry with presence in Asia Pacific, according to Frost & Sullivan

³ SGD1=JPY79.68