As we continue to work in a challenging and ever-changing environment, we want you to know that we are here to support you! Whether that is just a "hello how are you doing?" market information, a friendly chat, a need for hiring advice, or a need to help with job-seeking amid the virus disruption, Morgan McKinley is here.

Considering the current COVID-19 situation across the region, many of our clients have taken BCP measures to keep everyone's health and safety a top priority. We have spoken to a lot of you to get your thoughts on the uncertainties in the global economy. We have seen remote working adopted, permanent hiring slow, contractor conversion and secondment increase. As we see cost control shifting from a local and regional stance to a global stance, every decision is critical now for businesses and people.

We would like to present to you with a snapshot of what you are experiencing in Hong Kong, Shanghai and Singapore. We hope you find this useful and should you need any further information, please do reach out to us.

Distance won't stop us from performing!

From all of us at Morgan McKinley, stay safe and well. This will pass.

Best Regards,
Robert Sheffield
Managing Director - Greater China
IMPACT OF COVID-19
Survey Results - Hong Kong

01 How would you describe the impact on your business due to the COVID-19 outbreak?

- Extremely severe: 2.70%
- Severe: 9.01%
- Moderate: 12.61%
- Mild: 24.32%
- No Impact: 45.95%
- Positive: 5.41%
- Other (please specify): 0%

02 What has been the major impact?

- Revenues/Profit decline: 42.34%
- Work from home: 53.15%
- Work place rotation: 26.13%
- Hiring freeze: 29.73%
- Headcount reduction / Retrenchment: 15.32%
- Hiring spike: 3.60%
- Unpaid leave: 5.41%
- Reduced salary: 3.60%
- Revenues/Profit increase: 5.41%
- Other (please specify): 18.02%

Quotes from Our Clients

- "Everything is slowing down"
- "Business is slowed as it is harder to meet clients"
- "Have been working from home / on shifts since CNV"
- "Team work has been challenging with everyone working in different locations. Busy with lots of conference calls"

03 What do you think is the effect on productivity when staff work from home?

- More productive: 7.21%
- No change: 5.41%
- 99% - 75% of normal productivity: 23.42%
- 75% - 50% of normal productivity: 48.65%
- Below 50% of normal productivity: 14.41%
- Other (please specify): 0%

04 How long do you think your organisation will feel the effects of the outbreak?

- 1 - 3 months: 8.11%
- 3 - 6 months: 43.24%
- 6 - 9 months: 15.32%
- 9 - 12 months: 21.62%
- 12+ months: 9.91%
- Other (please specify): 1.80%
IMPACT OF COVID-19
Survey Results - Hong Kong

**05 What impact has the outbreak had on your hiring specifically?**

- Hiring freeze: 2.70%
- Hiring spike: 0.90%
- Hiring slowdown: 19.82%
- No impact: 37.84%
- Other (please specify): 38.74%

**06 What do you think the likely impact of the outbreak on hiring will be for the rest of 2020 for your organisation?**

- Hiring freeze: 0.90%
- Hiring spike: 3.60%
- Hiring slowdown: 18.92%
- No impact: 20.72%
- Other (please specify): 55.86%

**Quotes from Our Clients**

- "No hiring plan/ headcount freeze in H1"
- "Might have recruitment plans in the beginning of Q3"
- "No one (potential candidates) is willing to move at this stage"
- "Mainly replacement headcount, they are proceeding but much slower"
- "It is less likely to have new headcounts"

**07 What sector would describe your business in?**

- Communication Services: 1.80%
- Consumer: 5.41%
- Energy: 0.00%
- Financial Services, Banking & Insurance: 53.15%
- Healthcare: 1.80%
- Industrial: 4.50%
- Information Technology: 10.81%
- Real Estate: 4.50%
- Utilities: 0.00%
- Other (please specify): 19.82%

**08 Which of the below describes your business?**

- Small - Up-to 50 employees: 44.14%
- Medium - Up-to 250 employees: 20.72%
- Large - 250 employees and more: 35.14%
IMPACT OF COVID-19 Survey Results

SHANGHAI
IMPACT OF COVID-19
Survey Results - Shanghai

01. How would you describe the impact of the COVID-19 outbreak on your business?
- Extremely severe: 19.4%
- Severe: 38.4%
- Moderate: 31%
- Mild: 2.3%
- No impact: 6.9%
- Other: 1.9%

02. What has been the major impact on your business to date?
- Revenues/Profit decline: 75.5%
- Work from home: 43.1%
- Work place rotation: 23.6%
- Hiring freeze: 39.4%
- Headcount reduction/Retrenchment: 38.4%
- Hiring spike: 2.3%
- Unpaid leave: 11.1%
- Reduced salary: 23.1%
- Revenues/Profit increase: 4.6%
- Other (please specify): 4.2%

03. How do you think work volumes and productivity will be impacted with people working from home?
- More productive: 1.4%
- No change: 9.7%
- 99% - 75% of normal productivity: 12%
- 75% - 50% of normal productivity: 37%
- Below 50% of normal productivity: 31%
- Other (please specify): 8.8%

04. How long do you think your organization will feel the effects of this pandemic?
- 1-3 months: 41.2%
- 3-6 months: 10.6%
- 6-9 months: 11.6%
- 9-12 months: 13%
- 12+ months: 10.6%
- Other (please specify): 20.8%
What sector would describe your business in?

- Agriculture: 2.3%
- Automotives & Parts: 8.3%
- Banking & Transaction Services: 1.4%
- Chemical: 4.6%
- Consumer Products: 6.5%
- Education: 5.6%
- Energy & Utility: 0.5%
- Financial Markets: 5.6%
- Industrial & Manufacturing: 12.5%
- Insurance: 0%
- Internet: 11.6%
- Leisure & Entertainment: 4.2%
- Life Science: 4.2%
- Professional Service: 9.3%
- Property & Construction: 3.7%
- Retail: 10.2%
- Technology: 3.7%
- Other (please specify): 6%

What's your Enterprise Nature?

- Chinese Local Enterprise: 55.6%
- Sino-Diagonal Joint Venture: 32.9%
- Wholly Foreign-Owned Enterprise: 11.6%
Which of the below describes your business?

- Small - up to 200 employees: 48.1%
- Medium - 201-1000 employees: 28.7%
- Large - 1001+ employees: 23.1%
### FINANCIAL SERVICES

#### How would you describe the impact on your business due to the COVID-19 outbreak?

- Extremely severe: 2.91%
- Severe: 5.83%
- Moderate: 29.13%
- Mild: 2.91%
- No Impact: 0.97%
- Positive: 11.65%
- Other (please specify): 48.54%

48% of our clients feel a moderate impact while 35% feeling a severe or extremely severe impact on their business.

#### What has been the major impact?

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues/ Profit decline</td>
<td>43.69%</td>
</tr>
<tr>
<td>Work from home</td>
<td>70.87%</td>
</tr>
<tr>
<td>Work place rotation</td>
<td>45.63%</td>
</tr>
<tr>
<td>Hiring freeze</td>
<td>22.33%</td>
</tr>
<tr>
<td>Headcount reduction / Retrenchment</td>
<td>3.88%</td>
</tr>
<tr>
<td>Hiring spike</td>
<td>0.00%</td>
</tr>
<tr>
<td>Unpaid leave</td>
<td>1.94%</td>
</tr>
<tr>
<td>Reduced salary</td>
<td>3.88%</td>
</tr>
<tr>
<td>Revenues/ Profit increase</td>
<td>3.88%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>12.62%</td>
</tr>
</tbody>
</table>

- 70% of our clients are already on a Business Continuity Plan by working from home or on rotation basis.
- 44% of our clients observed a decline in their Revenues/ Profits
- 22% of our clients have frozen their hiring plans while 4% have already observed headcount reductions
- 4% of our clients are implementing reduced salary measures
**Impact of COVID-19 Survey Results - Singapore (FS)**

**03 What do you think is the effect on productivity when staff work from home?**

- 28.16% More productive
- 5.83% 99% - 75% of normal productivity
- 24.27% 75% - 50% of normal productivity
- 35.92% Below 50% of normal productivity
- 2.91% No change
- 2.91% Other (please specify)

67% of our clients think there is a drop in productivity when staff work from home, almost half of these clients think the drop is between 50-75% of normal productivity. Only just over 24% of clients think there is no change in productivity.

**04 How long do you think your organisation will feel the effects of the outbreak?**

- 32.04% 1 - 3 months
- 31.07% 3 - 6 months
- 10.68% 6 - 9 months
- 9.71% 9 - 12 months
- 6.80% 12+ months
- 9.71% Other (please specify)

63% of our clients think their organisation is likely to feel the impact of the outbreak for between 3-9 months, over half of these think it will extend to 6-9 months. Close to 11% of clients think their company will feel the effects for over 12 months.

**05 What impact has the outbreak had on your hiring specifically?**

- 29.13% Hiring freeze
- 26.21% Hiring spike
- 5.83% Hiring slow down
- 0.97% No impact
- 37.86% Other (please specify)

30% of our clients are on hiring freeze whilst 38% have slowed down their hiring. A healthy 26% have continued hiring as normal.

**06 What do you think the likely impact of the outbreak on hiring will be for the rest of 2020 for your organisation?**

- 27% Hiring freeze
- 7.77% Hiring spike
- 57.28% Hiring slow down
- 6.80% No impact
- 0.97% Other (please specify)

27% of our clients anticipate a hiring freeze whilst almost 58% expect a hiring slow down for the rest of 2020.
NON FINANCIAL SERVICES

01 How would you describe the impact on your business due to the COVID-19 outbreak?

- Extremely severe: 3.68%
- Severe: 11.03%
- Moderate: 2.21%
- Mild: 14.71%
- No Impact: 36.76%
- Positive: 1.47%
- Other (please specify): 30.15%

Over 67% of our clients have felt a moderate to severe impact due to the Covid-19 outbreak.
Almost 15% of our clients have had an extremely severe impact.
5% have not felt much impact at the time of survey saying that its too early to say and they are bracing for it in H2.

02 What has been the major impact?

- Revenues/Profit decline: 66.18%
- Work from home: 50.74%
- Work place rotation: 27.21%
- Hiring freeze: 36.03%
- Headcount reduction/Retrenchment: 11.76%
- Hiring spike: 2.21%
- Unpaid leave: 5.15%
- Reduced salary: 10.29%
- Revenues/Profit increase: 5.88%
- Other (please specify): 22.79%

78% of our clients are already on a Business Continuity Plan by working from home or on rotation basis.
Over 66% of our clients have observed a decline in Revenue/Profits.
Almost 48% of our clients are on hiring freeze as well as headcount reductions in their companies.
IMPACT OF COVID-19
Survey Results - Singapore (Non FS)

03. What do you think is the effect on productivity when staff work from home?

- More productive: 5.15%
- No change: 30.15%
- 99% - 75% of normal productivity: 30.15%
- 75% - 50% of normal productivity: 6.62%
- Below 50% of normal productivity: 8.09%
- Other (please specify): 19.85%

66% of our clients think there is a drop in productivity when staff work from home, over half of these clients think the drop is between 50-75% of normal productivity.
There are still 27% of our clients who see similar if not great productivity.

04. How long do you think your organisation will feel the effects of the outbreak?

- 1 - 3 months: 51.5%
- 3 - 6 months: 19.85%
- 6 - 9 months: 19.12%
- 9 - 12 months: 8.09%
- 12+ months: 20.59%
- Other (please specify): 27.21%

48% of our clients think their organisation is likely to feel the impact of the outbreak for between 3-9 months, 20% of them think between 6-9 months.
8% of our clients think their organisation will feel the effects for over 12 months.

05. What impact has the outbreak had on your hiring specifically?

- Hiring freeze: 24.26%
- Hiring spike: 38.97%
- Hiring slow down: 13.24%
- No impact: 7.35%
- Other (please specify): 2.94%

Close to 70% of our clients feel that there is a slowdown and freeze in hiring.
But a good 25% of our clients observe no change in their hiring plans as of now while a few have even seen a spike.

06. What do you think the likely impact of the outbreak on hiring will be for the rest of 2020 for your organisation?

- Hiring freeze: 23.53%
- Hiring spike: 52.94%
- Hiring slow down: 13.24%
- No impact: 7.35%
- Other (please specify): 2.94%

When asked about their outlook on hiring in 2020, 77% of our clients have said they foresee a slowdown and freeze in hiring.
IMPACT OF COVID-19
Survey Results

SUMMARY

75% > Productivity
Over half of our clients are working from home, maintaining around 50% - 75% productivity.

3-6 Months
Most of the respondents are expecting the impact of COVID-19 to last at least till the next quarter.

Q3 Start hiring?
While around 30% say they are having a hiring freeze, many are expecting some hiring again later this year, perhaps in H2 2020, but in a slower pace.