

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ManpowerGroup®

MANPOWERGROUP GREATER CHINA LIMITED

万宝盛华大中华有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2180)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

The board (the “**Board**”) of directors (the “**Directors**”) of ManpowerGroup Greater China Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”), together with the comparative figures for the corresponding period of 2020 as well as selected explanatory notes as set out below. The unaudited condensed consolidated interim financial information for the Period has been reviewed by the audit committee of the Company (the “**Audit Committee**”).

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		<i>Change in</i>
	2021	2020	<i>percentage</i>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>%</i>
Revenue	1,870,961	1,603,205	16.7%*
Profit attributable to owners of the Company	64,296	56,057	14.7%
Adjusted profit attributable to owners of the Company	66,599	57,010	16.8%
Average revenue generated per employee**	1,704	1,498	13.8%
Average adjusted profit generated per employee**	60.7	53.3	13.9%

* Revenue of Mainland China flexible staffing increased by approximately 34.3% in the first half of 2021 compared with the same period last year.

** The number of full time employees of the Group as at 30 June 2021 and 30 June 2020 are 1,098 and 1,070 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of 2021, the Group has seen improving economic environment and continued resilience of its diverse business segments coupled with a strong execution of its strategic initiatives. Despite the ongoing challenges from COVID-19, the Group has been able to keep up fast-growing momentum in its flexible staffing business in Mainland China and maintain a stable growth in Taiwan. The flexible staffing business in Hong Kong recorded negative growth in the first half of 2021 due to declining businesses from its multinational clients (MNCs) as a result of the continuous impact from COVID-19. However, we are encouraged to see the benefit of our diversified portfolio of services with strong recovery of the recruitment solutions segment across the Greater China area, which had rebounded significantly from negative growth during the same period last year.

According to the Industry Report on Human Resource Service Market issued by China Insights Consultancy in August 2021, the Company is the largest player in the workforce solutions market throughout Greater China by its revenue in 2020. With its strong market position, the Group continued to show a robust growth during the first half of 2021. Total revenue of the Group increased to RMB1,871.0 million, representing a growth of approximately 16.7% compared to the same period of 2020. Revenue generated from the flexible staffing business segment grew by approximately 15.4% on a year over year basis to RMB1,739.3 million, of which the flexible staffing revenue from Mainland China recorded an increase of approximately 34.3% compared with the same period last year. Revenue generated from the recruitment solutions segment increased significantly to RMB115.8 million, up 32.8% on a year over year basis from the same period last year. During the Period, net profit attributable to owners of the Company increased to RMB64.3 million, representing a growth of approximately 14.7% year over year. Adjusted net profit attributable to owners of the Company, after taking into account of the stock option expenses, increased by approximately 16.8% on a year over year basis to RMB66.6 million.

The Group continued to expand its service offerings in Mainland China during the first half of the year, particularly in the flexible staffing business. In line with the use of proceeds stated in the prospectus of the Company dated 27 June 2019 (the “**Prospectus**”), the Group has further expanded the scale of its flexible staffing business during the Period. The total number of associates placed during the Period increased by 19% from approximately 21,000 as of 30 June 2020 to approximately 25,000 as of 30 June 2021, among which the total number of associates placed in Mainland China grew significantly by approximately 40%.

During the Period, the Group streamlined its geographical operational structures in Mainland China, expanded into under-penetrated regions in southern, central, and western China, such as Wuhan and Chengdu, and bolstered its strong market position in tier-one cities such as Shanghai, Beijing, Guangzhou and Hong Kong. In addition, the Group strengthened its business development capabilities in the New Economy and Technology sector, with the number of clients from such sector increasing by around 320 compared with the end of 2020. During the Period, the Group remained committed to growing its existing accounts, with revenue contribution from its top 5 clients increasing by approximately 37.1% and accounting for approximately 37.6% of its total revenue for the Period. Furthermore, the Group managed to further tighten its turnover days of trade receivables to 50.2 days for the Period from 52.7 days of the same period last year, reflecting strong cash flow management capabilities and prudent risk control.

To implement its strategic initiatives of digitalisation, the Group further strengthened its internal technological infrastructure including upgrading the internal systems for higher operational efficiency, optimising the working procedures of the middle office to achieve better cost effectiveness, and integrating the technological systems of Hong Kong, Taiwan and Macau with those of Mainland China to realise better collaboration between teams from different regions.

By 30 June 2021, the Group's candidate job portal (天天U才) had recorded around 38,000 Monthly Active User (MAU) with approximately 7,200 positions posted; the crowdsourcing platform (天天U單) had posted around 3,800 positions during the Period; the Group's employee welfare platform (天天U福) had registered over 21,000 members. In addition, the Group's HR SaaS platform has been providing specialised human resources services across Mainland China, Hong Kong, Taiwan and Macau. As of 30 June 2021, the Group's talent pool has reached a total number of around 5.4 million.

The Group's efforts in providing customized and professional services to its clients in the Greater China Region have been recognized with a number of awards, including "Leading Human Resources Service Organization in 2020" (「2020年度人力資源服務機構」) by HRoot, "2021 Top100 Human Resources Service Organization" (「中國人力資源服務機構100強」) by TopHR, "2021 Recruitment & Staffing Solution Power Value Awards" (「2021中國招聘與任用供應商價值大獎－白領崗位＋服務業」) by HREC, and "2020 HR Tech China Best Service Providers" (「中國人力資源科技最佳服務機構」) by HR Tech China.

FUTURE OUTLOOK AND STRATEGIES

Expect to See Continued Recovery for the Rest of the Year

We are encouraged to see continued recovery for the rest of the year, though we are aware of ongoing uncertainties and potential regional lockdowns of COVID-19, the challenging economic environment, and geopolitical tension around the world.

In terms of business performance in different regions, the Group expects to continue to see strong growth momentum in its Mainland China flexible staffing business, driven by a higher penetration rate, the Group's leading market position, and its strong cash position. Further recovery of Taiwan will likely depend on the pace of easing restrictions of its own market and the pick-up of economic growth of western countries. For the recruitment solutions segment, the Group expects to see continuous recovery across the region for the rest of the year. In Hong Kong, the Group remains cautious on its flexible staffing segment due to declining demand from MNC clients. However, the turnaround of the outdoor marketing/promotion business is expected to contribute more profit to the region's performance in the medium term.

Flexible Staffing as Our Strategic Focus in 2021

The Group's strategic focus in the second half of 2021 will remain on flexible staffing in Mainland China driven by organic growth, strategic investment and potential mergers and acquisitions (the "M&A"). The Group believes that it will continue to benefit from the industry growth momentum on the back of a strong global brand and leading market position.

On the organic growth front, the Group has been actively expanding its team capacity, promoting business development in the New Economy and Technology sector, and accelerating expansion into under-penetrated regions in southern, central, and western China to gain more market share, achieve greater economies of scale, and improve operational efficiency. To further strengthen the synergy between different product lines, the Group has been promoting the “All in Staffing” initiative internally in order to encourage cross-selling of flexible staffing products to existing and new clients.

The Group’s strategic investment in associate companies across Mainland China has made impressive progress in the last 2 years. The cooperation with regional and local leading human resources companies and leaders has been helping the Group broaden its market reach, expand its client base and take advantage of the synergy between the parties in order to maximize shareholder value. For the second half of 2021, the Group will actively consider opportunities of strategic acquisition and cooperation in order to strengthen its leadership position in the workforce solutions market.

The focus of the Group’s M&A and cooperation strategy will remain on flexible staffing, especially on businesses and opportunities with the potential to broaden the Group’s flexible staffing product offerings and create synergy between its different business lines.

Further Optimization of the Workforce Technology Platform

For the second half of 2021, the Group will continue to optimize its workforce technology platform (「職場+」人力資源科技平台) with focus on three major service areas, i.e. work, training, and life, to provide full-rounded services to our clients and create more synergy between different technology products.

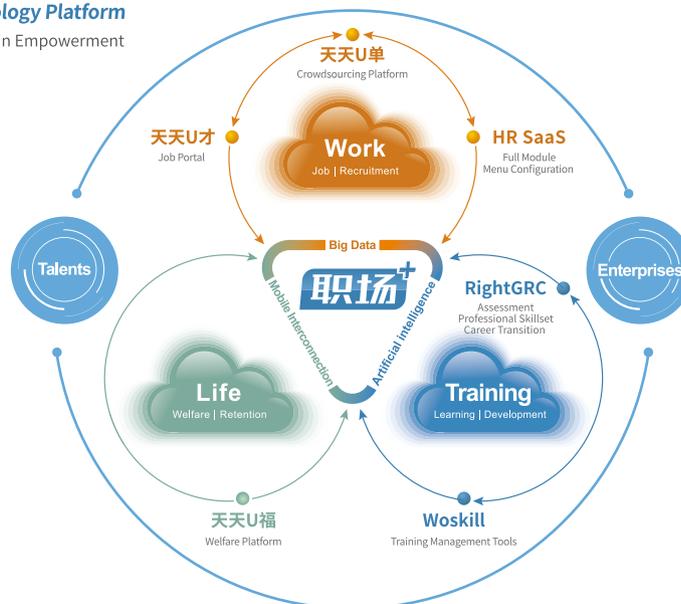
Under the “Work” service area, where the key focus and purpose of our products is to provide comprehensive and efficient flexible staffing and recruitment services to both our enterprise clients and to candidates with the help of artificial intelligence technology and big data analysis to realize more efficient and accurate candidate-position matching, raise order filling rate and achieve synergy between different business lines.

Under the “Training” service area, the platform specializes in providing training courses to employees of our clients and to our candidates for skillset upgrades and career development. We currently have built up the “WoSkill” platform which mainly focuses on professional skillset training and the “Right GRC” platform which is aimed at leadership development for executives.

Under the “Life” service area, the focus is to provide the Group’s associates and the employees of its clients with services, including benefit management and travelling management, etc., to promote work life balance and develop employee-friendly corporate culture.

The Group will continue to work on the integration of the above three major service areas and create more synergy between different technology products and between business lines to provide top-class comprehensive workforce solutions for our clients, associates and candidates in the future.

职场+ Workforce Technology Platform
Technology Ecosystem, Win-win Empowerment



Key Operation Metrics

The Group provides comprehensive workforce solutions under three business lines, namely (i) flexible staffing; (ii) recruitment solutions (including headhunting and recruitment process outsourcing (the “RPO”) services); and (iii) other human resource (“HR”) services, serving corporate and government clients across the Greater China Region. The following table sets forth the Group’s key operating metrics for the periods or as at the dates indicated:

Revenue

	Six months ended 30 June	
	2021	2020
Flexible staffing		
Number of associate placed during the period (approximately)	25,000	21,000
Number of candidate in flexible talent database (in thousands)	1,700	1,700
Recruitment solutions		
Number of placement during the period (approximately)	3,500	2,400
Number of candidate in recruitment services database (in thousands)	3,687	3,860
Number of recruiters (approximately)	283	365
Overall		
Number of full time employees (approximately)	1,098	1,070

FINANCIAL REVIEW

During the six months ended 30 June 2021, the Group derived its revenue primarily from (i) workforce solution services, including flexible staffing, and recruitment solutions, including headhunting and RPO, and (ii) other HR services, including HR consultancy services, training and development, career transition, payroll services as well as government solutions. The following table sets out a breakdown of the Group's revenue by business line for the periods indicated:

	Six months ended 30 June		Change in percentage %
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	
Revenue			
Workforce solution services			
Flexible staffing	1,739,341	1,506,983	15.4%
Recruitment solutions	115,751	87,176	32.8%
Other HR services	<u>15,869</u>	<u>9,046</u>	<u>75.4%</u>
Total	<u>1,870,961</u>	<u>1,603,205</u>	<u>16.7%</u>

The revenue of the Group increased by approximately 16.7% from RMB1,603.2 million for the six months ended 30 June 2020 to RMB1,871.0 million for the six months ended 30 June 2021. This increase was attributable to the following:

- (i) the increase in revenue generated from flexible staffing by approximately by 15.4% from RMB1,507.0 million for the six months ended 30 June 2020 to RMB1,739.3 million for the six months ended 30 June 2021, primarily due to the increase in number of associates placed during the Period as a result of the expansion of the Group's flexible staffing business in China;
- (ii) the increase in revenue generated from recruitment solutions by approximately by 32.8% from RMB87.2 million for the six months ended 30 June 2020 to RMB115.8 million for the six months ended 30 June 2021, primarily due to the increase in number of successful placements made during the Period owing to the recovery from COVID-19; and
- (iii) the increase in revenue generated from other HR services by approximately by 75.4% from RMB9.0 million for the six months ended 30 June 2020 to RMB15.9 million for the six months ended 30 June 2021, primarily due to the increase in revenue generated from HR consultancy services of Right Management and government solution services in China.

During the six months ended 30 June 2021, the Group operated in the Greater China Region, including the People’s Republic of China (“PRC”), Hong Kong, Macau and Taiwan with the PRC contributing the largest part of the Group’s total revenue during the Period. The following table sets out a breakdown of the Group’s revenue by geographic location for the periods indicated:

	Six months ended 30 June		Change in percentage %
	2021 <i>RMB’000</i>	2020 <i>RMB’000</i>	
Revenue			
The PRC	1,153,556	862,895	33.7%
Hong Kong and Macau	284,186	334,337	(15.0%)
Taiwan	433,219	405,973	6.7%
	<hr/> 1,870,961 <hr/>	<hr/> 1,603,205 <hr/>	<hr/> 16.7% <hr/>
Total			

Cost of services

The Group’s cost of services increased by approximately 16.6% from RMB1,358.1 million for the six months ended 30 June 2020 to RMB1,583.0 million for the six months ended 30 June 2021. This increase was generally in line with the Group’s revenue growth.

Gross profit and gross profit margin

Gross profit represents revenue less cost of services. The Group’s gross profit increased by approximately 17.5% from RMB245.1 million for the six months ended 30 June 2020 to RMB287.9 million for the six months ended 30 June 2021. The Group recorded a higher growth rate in gross profit than the growth rate in revenue for the six months ended 30 June 2021, which was primarily due to the larger gross profit contribution by the Group’s recruitment solutions and other HR services, which had higher increase in revenue for the Period.

The Group’s gross profit margin increased from approximately 15.3% for the six months ended 30 June 2020 to approximately 15.4% for the six months ended 30 June 2021, primarily due to the increase in proportion of revenue generated from recruitment solutions and other HR services which had higher gross profit margin as compared to flexible staffing.

The following table sets out the Group's gross profit margin by business line for the periods indicated:

	Six months ended 30 June		Change (%)
	2021 (%)	2020 (%)	
Workforce solution services			
Flexible staffing	10.0	10.6	(0.6)
Recruitment solutions	88.4	90.5	(2.1)
Other HR services	70.1	71.8	(1.7)
Overall	15.4	15.3	0.1

Selling and administrative expenses

The Group's selling and administrative expenses primarily include (i) salaries and benefits; (ii) office expenses; and (iii) others, including travelling, marketing and advertising expenses.

The Group's selling expenses increased by approximately 8.5% from RMB153.9 million for the six months ended 30 June 2020 to RMB167.0 million for the six months ended 30 June 2021, primarily due to the increase of staff cost as a result of the expansion of the Group's flexible staffing business in China.

The Group's administrative expenses increased by approximately 60.9% from RMB22.0 million for the six months ended 30 June 2020 to RMB35.4 million for the six months ended 30 June 2021, primarily due to: (i) share options expense; (ii) the increase in marketing and advertising expenses, training expenses, travelling expenses; (iii) there was no reduction or waiver of social insurance contributions in China and no subsidies granted under Employment Support Scheme in Hong Kong during the Period.

The Group's selling expenses accounted for approximately 9.6% and 8.9% of its total revenue for the six months ended 30 June 2020 and 2021, respectively, while the Group's administrative expenses accounted for approximately 1.4% and 1.9% of its total revenue for the six months ended 30 June 2020 and 2021, respectively. The decrease in selling expenses as a percentage of total revenue was primarily due to the improvement in operational efficiency. The increase in administrative expenses as a percentage of total revenue was primarily due to share options expense, and the increase in expenditure on business promotion, business support and employee development.

Other income

The Group's other income primarily includes interest income on bank deposits and dividend income from equity instruments. The Group's other income decreased by approximately 46.5% from RMB7.1 million for the six months ended 30 June 2020 to RMB3.8 million for the six months ended 30 June 2021.

Other gains and losses

The Group's other gains and losses consist of net exchange losses and the change in fair value of the Group's structured deposits, which was presented as financial assets at fair value through profit or loss in the Group's condensed consolidated statement of financial position. The Group's other gains and losses decreased by approximately 42.9% from RMB1.75 million for the six months ended 30 June 2020 to RMB1.0 million for the six months ended 30 June 2021.

Share of profit of associates

The Group's share of profit of associates amounted to RMB0.6 million for the six months ended 30 June 2021.

Income tax expense

The Group's income tax expense primarily consists of China enterprise income tax payable, Hong Kong profits tax payable, Macau complementary tax payable and Taiwan income tax payable by its subsidiaries in the respective locations.

The Group's income tax expense increased by approximately 1.2% from RMB16.6 million for the six months ended 30 June 2020 to RMB16.8 million for the six months ended 30 June 2021.

The Group's effective income tax rate for the six months ended 30 June 2021 was approximately 19.2%, compared to approximately 21.5% for the six months ended 30 June 2020.

Profit for the period attributable to owners of the Company

As a result of the foregoing, the Group's profit for the period attributable to owners of the Company increased by approximately 14.7% from RMB56.1 million for the six months ended 30 June 2020 to RMB64.3 million for the six months ended 30 June 2021.

Adjusted profit for the period attributable to owners of the Company

The Group's adjusted profit for the period attributable to owners of the Company from continuing operations excluding expenses in relation to stock options granted increased by approximately 16.8% from RMB57.0 million for the six months ended 30 June 2020 to RMB66.6 million for the six months ended 30 June 2021.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group expects to continue meeting its operating capital, capital expenditure and other capital needs with proceeds from the listing of the shares (the “**Shares**”) of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 July 2019 (the “**Listing**”) and cash generated from operations. The Group currently does not have any plans for material additional external debt or equity financing and will continue to evaluate potential financing opportunities based on its need for capital resources and market conditions.

Net current assets

As at 30 June 2021, the Group’s net current assets amounted to RMB1,034.6 million (31 December 2020: RMB1,034.4 million). Specifically, the Group’s total current assets increased from RMB1,585.8 million as at 31 December 2020 to RMB1,619.8 million as at 30 June 2021. The Group’s total current liabilities increased from RMB551.3 million as at 31 December 2020 to RMB585.2 million as at 30 June 2021. The increase in net current assets was primarily due to the increase in trade receivables as a result of the Group’s revenue growth.

Cash position

As at 30 June 2021, the Group had bank balances and cash, together with its restricted bank deposits, time deposits with original maturity over three months and structured deposits (presented as financial assets at fair value through profit or loss) of RMB1,025.4 million (31 December 2020: RMB1,068.8 million). The decrease in bank balances and cash was primarily due to the cash outflow from business operations.

Indebtedness

As at 30 June 2021, the Group had lease liabilities of RMB54.0 million (31 December 2020: RMB64.9 million). The Group had no bank loans or convertible loans during the Period and as at 30 June 2021 (31 December 2020: Nil). As a result, the Group’s gearing ratio (calculated as total bank and other borrowings divided by total equity) as at 30 June 2021 was not calculated (31 December 2020: Nil).

Pledge of assets

As disclosed under the section headed “Contingent Liabilities”, as at 30 June 2021, the Group had pledged its time deposit in an amount of RMB9.0 million.

Financial risks

The Group’s activities expose it to a variety of financial risks, including currency risk, interest rate risk, credit risk and liquidity risk. Generally, the Group introduces conservative strategies on its risk management and has not used any derivatives and other instruments for hedging purposes.

Currency risk

The inter-company balances of the Company and certain subsidiaries are denominated in US\$, which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the Group will closely monitor its foreign exchange exposure and will consider hedging of significant foreign currency exposure should the need arise.

Interest rate risk

The Group's exposure to fair value interest rate risks relates primarily to the Group's fixed – rate time deposits with original maturity over three months and lease liabilities. The Group also exposes to cash flow interest rate risk in relation to variable rate restricted bank deposits and bank balances. The Group has not used derivative financial instruments to hedge any interest rate risks. The Group manages its interest rate exposures by assessing the potential impact arising from interest rate movements based on the current interest rate level and outlook.

Credit risk

The Group's exposure to credit risks relates primarily to time deposits with original maturity over three months, restricted bank deposits, bank balances, trade and other receivables and amounts due from fellow subsidiaries and arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk by customer/counterparty within the Group. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of financial assets.

Liquidity risk

The Group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

KEY FINANCIAL RATIO

As at 30 June 2021, the current ratio (calculated as total current assets divided by the total current liabilities) of the Group was 2.8 times (31 December 2020: 2.9 times).

CONTINGENT LIABILITIES

As at 30 June 2021, the Group had outstanding surety bonds of RMB9.0 million (31 December 2020: RMB9.1 million), for which restricted bank deposits were pledged as required by certain clients of the Group.

COMMITMENTS

As at 30 June 2021, the Group did not have any significant capital and other commitments, long-term obligations or guarantee (31 December 2020: Nil).

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 30 June 2021, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

During the six months ended 30 June 2021, there were no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

The Group had no significant investments with a value of 5% or above of the Group's total assets as at 30 June 2021.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group has not planned to make any material investments or acquisition of capital assets. No concrete plan for future investments is in place as at the date of this announcement.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Net proceeds from the Listing (including the exercise of the over-allotment option), after deducting the underwriting commission and other estimated expenses in connection with the Listing which the Company received amounted to approximately RMB458.2 million. Up to the date of this announcement, the net proceeds received from the Listing have been used and will continue to be used, in a manner consistent with the proposed allocation in the Prospectus. According to the announcement of the Company dated 30 March 2021, the Board has resolved to postpone the timeline of the unutilised net proceeds to 31 December 2022. The Group will continue to utilise the proceeds according to the expected timeline as set out below.

The table below sets forth the utilisation of the net proceeds up to 30 June 2021:

Categories	Specific Plans	Expected timeline as stated in the Prospectus ^(Note)	Planned use of net proceeds as stated in the Prospectus and after considering the additional net proceeds from the exercise of over-allotment option RMB'000	Actual use of net proceeds up to 30 June 2021 RMB'000	Unutilised net proceeds as at 30 June 2021 RMB'000	Expected timeline for fully utilising the remaining proceeds ^(Note)
Business expansion	Expand our business scale and market share	12 to 24 months from 10 July 2019 (the "Listing Date")	137,451 (30% of total net proceeds)	71,373	66,078	On or before 31 December 2022
Research and development	Invest in a digital workforce platform,	12 to 24 months from the Listing Date	137,451 (30% of total net proceeds)	33,423	104,028	On or before 31 December 2022
Future investments, strategic mergers and acquisitions	Pursue strategic acquisition and investment opportunities	12 to 24 months from the Listing Date	114,527 (25% of total net proceeds)	27,350	87,177	On or before 31 December 2022
Brand building and digital marketing	Investment in offline brand building and digital marketing to increase brand awareness	12 to 24 months from the Listing Date	22,924 (5% of total net proceeds)	8,447	14,477	On or before 31 December 2022
Working capital	Working capital and other general corporate purposes	-	45,847 (10% of total net proceeds)	45,847	-	
Total			458,200 (100% of total net proceeds)	186,440	271,760	

Note: The expected timeline for the application of the unutilised net proceeds is based on the best estimate of the future market conditions made by the Group. The Directors will reassess the Group's business objectives and use of proceeds from time to time, and may revise or amend such plans where necessary, to ensure it aligns with the Group's business strategies factoring in the changing market conditions and the impact of the outbreak of COVID-19 pandemic.

As at the date of this announcement, with regional resumption of business travel and activities on the horizon, the Directors are not aware of any material change to the proposed allocation and expected utilisation timeline of the net proceeds.

EMPLOYEE AND REMUNERATION POLICY

The Group's employees include its own employees and associates. Own employees refers to the employees for the Group's operations, including finance and information technology and excluding those for flexible staffing assignments. Associates refers to those who are assigned to work on client premises, typically under client instruction and supervision during the term of deployment. As at 30 June 2021, the Group employed approximately 1,098 own employees and approximately 25,000 associates.

The Group offers its own employees remuneration packages that include salary and bonuses, and determines employee remuneration based on factors such as qualifications and years of experience. The Group's own employees also receive welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items. The Group has established labor unions in the PRC to protect employees' rights, help the Group achieve its economic goals and encourage employees to participate in its management decisions.

The Group's associates, who are employed on a contract basis, are cross-trained in multiple aspects of staffing as the Group provides relevant training to help associates adapt to clients' positions quickly, including trainings on computer skills and other soft skills. Such training equips the associates with the ability to assist the Group's clients in different positions and departments, and helps them find better positions through talent upskill.

The Company adopted a share option scheme on 5 June 2019 as an incentive for eligible employees and Directors of the Group, details of which are set out in the section headed "D. Other Information – 1. Share Option Scheme" in Appendix IV to the Prospectus.

The Company has adopted a restricted share unit scheme on 10 June 2021 ("**RSU Scheme**") to recognize and reward the eligible participants for their contributions to the Group and attract, retain or otherwise maintain an on-going business relationship with the participants whose contributions are or will be beneficial to the long-term growth of the Group. For details of the RSU Scheme, refer to the announcements of the Company dated 10 June 2021 and 16 June 2021.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no material events undertaken by the Group subsequent to 30 June 2021 up to the date of this announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the holders (the "**Shareholders**") of the Shares of the Company and to enhance corporate value and accountability.

The Company has adopted the corporate governance code (the "**Corporate Governance Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code on corporate governance since the Listing. The Company has complied with the Corporate Governance Code during the six months ended 30 June 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Company has established the Audit Committee on 5 June 2019 with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision C.3 of the Corporate Governance Code. The primary duties of the Audit Committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board.

The Audit Committee consists of five members, including two non-executive Directors, namely Mr. John Thomas MCGINNIS and Mr. ZHAI Feng and three independent non-executive Directors, namely Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG. The chairman of the Audit Committee is Mr. Victor HUANG, who possesses appropriate professional qualifications. The Audit Committee had reviewed the interim results for the six months ended 30 June 2021. The condensed consolidated financial statements for the six months ended 30 June 2021 has not been audited but has been reviewed by Deloitte Touche Tohmatsu, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(unaudited)
Revenue	3	1,870,961	1,603,205
Cost of services		(1,583,024)	(1,358,105)
Gross profit		287,937	245,100
Selling expenses		(167,023)	(153,901)
Administrative expenses		(35,400)	(21,953)
Other income		3,813	7,138
Impairment losses under expected credit loss (“ECL”) model, net of reversal		(2,200)	105
Other gains and losses		1,014	1,754
Finance costs		(1,497)	(2,083)
Share of profit of associates		647	1,143
Profit before tax		87,291	77,303
Income tax expense	4	(16,789)	(16,591)
Profit for the period	5	70,502	60,712
Other comprehensive income (expense)			
<i>Item that will not be reclassified to profit or loss:</i>			
Actuarial gains from remeasurement of defined benefit obligations, net of tax		74	127
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(8,046)	19,016
Other comprehensive (expense) income for the period, net of tax		(7,972)	19,143
Total comprehensive income for the period		62,530	79,855

		Six months ended 30 June	
		2021	2020
	<i>NOTE</i>	RMB'000	RMB'000
		(unaudited)	(unaudited)
Profit for the period attributable to:			
Owners of the Company		64,296	56,057
Non-controlling interests		6,206	4,655
		<hr/>	<hr/>
		70,502	60,712
		<hr/>	<hr/>
Total comprehensive income for the period attributable to:			
Owners of the Company		56,650	71,480
Non-controlling interests		5,880	8,375
		<hr/>	<hr/>
		62,530	79,855
		<hr/>	<hr/>
Earnings per share			
Basic (RMB)	7	0.31	0.27
		<hr/>	<hr/>
Diluted (RMB)		0.31	0.27
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

		At 30 June 2021 <i>RMB'000</i> (unaudited)	At 31 December 2020 <i>RMB'000</i> (audited)
NON-CURRENT ASSETS			
Property and equipment		14,076	15,025
Right-of-use assets		52,848	63,340
Goodwill		52,224	52,945
Other intangible assets		62,429	58,403
Interests in associates		32,454	31,807
Equity instruments at fair value through other comprehensive income		9,705	9,705
Deferred tax assets		4,386	3,752
Other receivables		11,475	11,207
Deposits		19,268	18,983
Restricted bank deposits		9,042	9,143
Retirement benefit assets		530	438
		<u>268,437</u>	<u>274,748</u>
CURRENT ASSETS			
Trade and other receivables, deposits and prepayments	8	602,933	525,895
Amounts due from fellow subsidiaries	9	447	189
Financial assets at fair value through profit or loss		60,402	90,459
Time deposits with original maturity over three months		58,531	291,303
Bank balances and cash		897,467	677,908
		<u>1,619,780</u>	<u>1,585,754</u>
CURRENT LIABILITIES			
Trade and other payables	10	508,810	468,895
Contract liabilities		24,656	28,959
Lease liabilities		29,320	28,663
Amount due to ultimate holding company	9	9,634	9,135
Amounts due to fellow subsidiaries	9	954	844
Tax payables		11,815	14,843
		<u>585,189</u>	<u>551,339</u>

	At 30 June 2021 <i>RMB'000</i> (unaudited)	At 31 December 2020 <i>RMB'000</i> (audited)
NET CURRENT ASSETS	<u>1,034,591</u>	<u>1,034,415</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,303,028</u>	<u>1,309,163</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	13,112	16,479
Lease liabilities	<u>24,713</u>	<u>36,279</u>
	<u>37,825</u>	<u>52,758</u>
NET ASSETS	<u>1,265,203</u>	<u>1,256,405</u>
CAPITAL AND RESERVES		
Share capital	1,830	1,830
Reserves	<u>1,192,280</u>	<u>1,189,362</u>
Equity attributable to owners of the Company	<u>1,194,110</u>	1,191,192
Non-controlling interests	<u>71,093</u>	<u>65,213</u>
TOTAL EQUITY	<u>1,265,203</u>	<u>1,256,405</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	<u>(17,117)</u>	<u>88,864</u>
INVESTING ACTIVITIES		
Interest received	3,127	5,695
Dividend received	585	682
Purchases of property and equipment	(1,721)	(1,321)
Placement of structured deposits	(150,402)	(186,000)
Settlement of structured deposits	181,911	169,401
Placement of time deposits	(78,654)	(269,225)
Withdrawal of time deposits	307,584	–
Placement of restricted bank deposits	–	(29,600)
Withdrawal of restricted bank deposits	–	16,000
Repayment from fellow subsidiaries	–	434
Addition of investments in associates	–	(9,800)
Return of capital from an associate	–	1,599
Settlement of consideration receivables from disposal of subsidiaries	1,298	1,650
Development costs paid	<u>(5,697)</u>	<u>(10,624)</u>
NET CASH FROM (USED IN) INVESTING ACTIVITIES	<u>258,031</u>	<u>(311,109)</u>
FINANCING ACTIVITIES		
Interest paid	(1,497)	(2,083)
Advance from fellow subsidiaries	–	52
Repayment to fellow subsidiaries	–	(263)
Repayment of lease liabilities	<u>(15,403)</u>	<u>(16,494)</u>
CASH USED IN FINANCING ACTIVITIES	<u>(16,900)</u>	<u>(18,788)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	224,014	(241,033)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	677,908	806,967
Effect of foreign exchange rate changes	<u>(4,455)</u>	<u>12,717</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	<u>897,467</u>	<u>578,651</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. GENERAL AND BASIS OF PREPARATION

ManpowerGroup Greater China Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 26 September 2014. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 July 2019. The addresses of the Company’s registered office and principal place of business in the PRC are PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and 36/F, Xin Mei Union Square, No. 999, Pudong Road (S), Pudong District, Shanghai, PRC, respectively.

The Company is an investment holding company. The Company’s subsidiaries are principally engaged in the provision of a comprehensive range of workforce solutions and services in the PRC, Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”), Macau Special Administrative Region of the PRC (“**Macau**”) and Taiwan (collectively referred as “**Greater China Region**”).

The condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“**IFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2020.

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 9, IAS 39, IFRS 7,
IFRS 4 and IFRS 16

Interest Rate Benchmark Reform – Phase 2

In addition, the Group has early applied the Amendment to IFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021.

Except as described below, the application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Impacts on early application of Amendment to IFRS 16 COVID-19 – Related Rent Concessions beyond 30 June 2021

The Group has early applied the amendment in the current interim period. The application of this amendment has had no material impact to the Group's financial positions and performance for the current and prior periods.

3. REVENUE AND SEGMENT INFORMATION

Segment information

Information reported to the Chief Executive Officer, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

Specifically, the Group's reportable segments under IFRS 8 are as follows:

1. Workforce Solutions – the Group provides the following services to its customers:
 - Flexible staffing service for which the Group helps to provide contingent workers for customers who wish to manage their own headcount or only require workers for limited time or a specific project. The Group provides contingent workers contracted with the Group that the Group finds suitable for the job descriptions and assign them to the customers.
 - Recruitment solutions services include recruitment process outsourcing management services and recruitment services. The Group assists customers' hiring process, which include candidate assessments, screening, conducting candidate interviews and recommending suitable candidates for job vacancies, providing sourcing technology, and providing the Group's marketing and recruiting expertise.
2. Other Human Resource (“**HR**”) Services – the Group provides HR services to customers who need assistance in outplacement, leadership development, career management, talent assessment, and training and development services.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

Six months ended 30 June 2021

	Workforce Solutions <i>RMB'000</i> (unaudited)	Other HR Services <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Segment revenue	<u>1,855,092</u>	<u>15,869</u>	<u>1,870,961</u>
Segment profit	<u>276,820</u>	<u>11,117</u>	287,937
Unallocated:			
Selling expenses			(167,023)
Administrative expenses			(35,400)
Other income			3,813
Impairment losses under ECL model, net of reversal			(2,200)
Other gains and losses			1,014
Finance costs			(1,497)
Share of profit of associates			<u>647</u>
Profit before tax			<u>87,291</u>

Six months ended 30 June 2020

	Workforce Solutions <i>RMB'000</i> (unaudited)	Other HR Services <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Segment revenue	<u>1,594,159</u>	<u>9,046</u>	<u>1,603,205</u>
Segment profit	<u>238,602</u>	<u>6,498</u>	245,100
Unallocated:			
Selling expenses			(153,901)
Administrative expenses			(21,953)
Other income			7,138
Impairment losses under ECL model, net of reversal			105
Other gains and losses			1,754
Finance costs			(2,083)
Share of profit of associates			<u>1,143</u>
Profit before tax			<u>77,303</u>

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Geographical information

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations of customers.

	Six months ended 30 June	
	2021 <i>RMB'000</i> (unaudited)	2020 <i>RMB'000</i> (unaudited)
PRC	1,153,556	862,895
Hong Kong and Macau	284,186	334,337
Taiwan	433,219	405,973
	<u>1,870,961</u>	<u>1,603,205</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the gross profit earned by each segment without allocation of selling expenses, administrative expenses, other income, impairment losses under ECL model, net of reversal, other gains and losses, finance costs and share of profit of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

There were no inter-segment sales for both periods.

Segment assets and liabilities

Information reported to the CODM for the purposes of resource allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

3. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue

Six months ended 30 June 2021

	Workforce Solutions <i>RMB'000</i> (unaudited)	Other HR Services <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Types of service			
Flexible staffing	1,739,341	–	1,739,341
Recruitment solutions	115,751	–	115,751
Others	–	15,869	15,869
	<u>1,855,092</u>	<u>15,869</u>	<u>1,870,961</u>
Timing of revenue recognition			
A point in time	109,472	–	109,472
Over time	1,745,620	15,869	1,761,489
	<u>1,855,092</u>	<u>15,869</u>	<u>1,870,961</u>

Six months ended 30 June 2020

	Workforce Solutions <i>RMB'000</i> (unaudited)	Other HR Services <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Types of service			
Flexible staffing	1,506,983	–	1,506,983
Recruitment solutions	87,176	–	87,176
Others	–	9,046	9,046
	<u>1,594,159</u>	<u>9,046</u>	<u>1,603,205</u>
Timing of revenue recognition			
A point in time	83,366	–	83,366
Over time	1,510,793	9,046	1,519,839
	<u>1,594,159</u>	<u>9,046</u>	<u>1,603,205</u>

4. INCOME TAX EXPENSE

During the six months ended 30 June 2021, the Group had recognised current tax expense of approximately RMB15,900,000 (six months ended 30 June 2020: approximately RMB16,823,000) and deferred tax expense of approximately RMB889,000 (six months ended 30 June 2020: deferred tax credit of approximately RMB232,000).

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Directors' emoluments		
Fees	300	360
Salaries, allowances and other benefits	2,663	1,609
Retirement benefit scheme contributions	73	42
Performance related bonus	1,569	1,624
Equity-settled share based expense	155	153
	<u>4,760</u>	<u>3,788</u>
Depreciation of property and equipment	2,649	2,399
Depreciation of right-of-use assets	15,004	16,513
Expenses related to short-term leases	327	53
Amortisation of intangible assets	1,280	1,392
Research and development costs recognised as an expense	25	331
COVID-19 related rent concessions	–	(170)
	<u>–</u>	<u>(170)</u>

During the six months ended 30 June 2020, the Group recognised government grants by deducting from the related expenses in respect of COVID-19-related subsidies which mainly relate to Employment Support Scheme provided by the Hong Kong government and reduction or waiver of social insurance contributions by the PRC government.

6. DIVIDENDS

During the current interim period, a final dividend in respect of the year ended 31 December 2020 of HK\$0.32 per ordinary share, in an aggregate amount of approximately HK\$66.4 million (equivalent to approximately RMB56 million), has been proposed by the directors of the Company and approved by the shareholders of the Company. The dividend was paid in July 2021.

During the six months ended 30 June 2020, a final dividend in respect of the year ended 31 December 2019 of HK\$0.27 per ordinary share, in an aggregate amount of approximately HK\$56 million (equivalent to approximately RMB51.2 million) was declared and paid to the owners of the Company.

The directors of the Company have determined that no dividend will be paid in respect of the interim period.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earning for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	64,296	56,057
Number of shares		
	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Number of ordinary shares for the purpose of basic earnings per share	207,500,000	207,500,000
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	138,005	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	207,638,005	207,500,000

The computation of diluted earnings per share for the six months ended 30 June 2021 and 2020 did not assume the exercise of certain share options granted by the Company because the exercise prices of those options were higher than the average market prices for shares of the Company for the respective period.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The table below is an ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice date as at the end of the reporting period.

	At	At
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(audited)
0–30 days	530,353	418,415
31–60 days	28,290	16,429
61–90 days	13,840	7,323
Over 90 days	13,952	14,915
	586,435	457,082

9. AMOUNTS DUE FROM (TO) ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES

The following is an ageing analysis of amounts due from fellow subsidiaries (trade related) at the end of the reporting period, presented based on the invoice date:

	Amount due from fellow subsidiaries	
	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
0–30 days	303	124
31–60 days	102	33
61–90 days	3	20
Over 90 days	39	12
	<u>447</u>	<u>189</u>

The following is an ageing analysis of amounts due to ultimate holding company and fellow subsidiaries (trade related) at the end of the reporting period, presented based on the invoice date:

	Amount due to ultimate holding company		Amounts due to fellow subsidiaries	
	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
0–30 days	920	726	157	43
31–60 days	765	635	–	82
61–90 days	573	258	–	34
Over 90 days	44	100	797	685
	<u>2,302</u>	<u>1,719</u>	<u>954</u>	<u>844</u>

10. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables at the end of the reporting period, presented based on the invoice date:

	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
0–30 days	20,543	13,627
31–60 days	151	12
61–90 days	3	23
Over 90 days	2	140
	<u>20,699</u>	<u>13,802</u>

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the Period will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.manpowergrc.com) in due course.

On behalf of the Board
ManpowerGroup Greater China Limited
CUI ZHIHUI
*Executive Director and
Chief Executive Officer*

Hong Kong, 26 August 2021

As of the date of this announcement, the Board of Directors of the Company comprises: (1) Mr. CUI Zhihui as executive Director; (2) Mr. Darryl E GREEN, Mr. John Thomas MCGINNIS, Mr. ZHANG Yinghao and Mr. ZHAI Feng as non-executive Directors; and (3) Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG as independent non-executive Directors.