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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 ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The board (the “**Board**”) of directors (the “**Directors**”) of ManpowerGroup Greater China Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2021 (the “**Reporting Period**”).

In this announcement, “we”, “us” and “our” refer to the Company and where the context otherwise requires, the Group.

2021 FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2021 (RMB'000)	2020 (RMB'000)	Change in percentage %
Revenue	3,968,874	3,222,631	23.2
Growth rate of Mainland China flexible staffing revenue	41%	28%	13
Profit attributable to owners of the Company	139,169	126,357	10.1
Adjusted profit attributable to owners of the Company	145,686	136,200	7.0
Average revenue generated per employee	2,998	3,058	(2.0)
Number of full time employees	1,324	1,054	25.6

BUSINESS REVIEW

The year of 2021 has seen profound changes brought on by the continuing COVID-19 pandemic, increasing geo-political tension, and volatile macroeconomic environments. Despite the challenges, the Group's performance during the year gives it confidence that the Group is well positioned in an increasingly competitive and dynamic environment. It has been a year of significant strategic achievements, providing a strong foundation for future growth.

Along with navigating external changes, the Group has successfully adapted to internal changes during 2021. After its long-serving chief executive officer stepped down in March 2021, the Group has been seamlessly transitioned to Mr. CUI Zhihui, who was chief financial officer of the Group. Together with Mr. TANG Jiayi, our new chief financial officer who joined the Group in October 2021, the Board and the new management team has instituted a refined corporate strategy with growth-oriented initiatives, reformed its corporate culture, has realised the stability of its teams across Mainland China, Hong Kong and Taiwan, and at the same time achieved the fastest revenue growth over the last five years and a historical high level of flexible staffing business growth in Mainland China, all of which would further drive the Group's growth aspirations and build up its core competitiveness. In addition, the Group has tapped into high-volume businesses last year and has further extended its product portfolio in the view of providing comprehensive services in a fast-growing market. Furthermore, the Group has repositioned its technology platform and refined the development strategy of key technology products.

For the year ended 31 December 2021 (the “**Reporting Period**”), the Group achieved a total revenue of RMB3,969 million, representing an increase of approximately 23.2% compared to the corresponding period of 2020, much higher than an approximately 6% growth rate from the year before, and after the dilution from a flattish revenue growth in Hong Kong given the persisting COVID-19 impact. Revenue generated from Mainland China grew by approximately 39.7% year over year, which was the highest growth over the past 5 years. The flexible staffing business segment grew by approximately 22.5% on a year over year basis to RMB3,689 million, of which the flexible staffing revenue from Mainland China achieved a historical high growth of approximately 41% on a year over year basis. Hong Kong achieved a solid turnaround from -11% revenue growth in the previous year to flattish growth during the Reporting Period under the extremely difficult market condition due to continuous impact of the pandemic.

During the Reporting Period, net profit attributable to owners of the Company increased to RMB139.2 million, representing a growth of approximately 10.1% year over year. Adjusted net profit attributable to owners of the Company recorded RMB145.7 million after adjusting expenses, growing by 7.0% year over year. A final dividend for the year ended 31 December 2021 of HK\$0.37 per ordinary share (equivalent to RMB0.30 per ordinary share), representing approximately 45% of the Group's earnings per share has been proposed by the Directors.

In addition, the Group continued to expand its service offerings in Mainland China, 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 year. The total number of associates placed during the Reporting Period increased by approximately 24.7% from approximately 38,500 as the end of 2020 to 48,000 by the end of 2021, among which the total number of associates placed in Mainland China grew by approximately 40%.

During the Reporting Period, the Group has reviewed and reorganised its entrepreneurial partnership system to further shore up key competitiveness. In a view of accelerating expansion into under-penetrated regions in southern, central, and western China, the Group has increased its team capacity in Wuhan and Chengdu, while at the same time expanded its teams in Shanghai, Guangzhou as well to bolster its strong market position in tier-one cities. In addition, the Group further strengthened business development capabilities in the New Economy and Technology sector, to which its top 5 clients belong, with the number of clients from such sector increased by approximately 21% on a year over year basis. During the Reporting Period, the Group remained committed to growing its existing accounts, with revenue contribution from its top 5 clients increased by approximately 35.7% and accounted for approximately 37.3% of its total revenue for the Reporting Period. Moreover, the turnover days of trade receivable was further decreased to 50.1 days from 52.1 days of last year thanks to the Group’s strong cash flow management and prudent risk control.

To implement its strategic initiatives of digitalisation, the Group has been transforming the workforce technology platform by providing its HR SaaS product to corporate clients, small human resource (“**HR**”) service providers, the Group’s alliance and invested companies to enlarge its own client base, facilitate order matching, and enhance distribution productivity. By end of 2021, the Group’s recruiting service product 天天U才 had recorded around 46,400 Monthly Active Users with approximately 15,000 positions posted; the collaborative platform 天天U單 had posted around 12,400 positions during the year; the Group’s employee value-adding platform 天天U福 had registered over 27,000 members. In addition, the Group’s HR SaaS platform has been refined across Mainland China, Hong Kong, Taiwan and Macau. As of the end 2021, the Group’s talent pool has reached a total number of around 5.7 million.

The Group’s efforts in providing customised and professional services to its clients in the Greater China region, namely, the People’s Republic of China (“**PRC**” or “**China**” or “**Mainland China**”), 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**”) have been recognised with a number of awards, including “Top 3 in China’s Headhunting Industry Ranking in 2021” (“2021中國獵頭行業排行榜Top3”) by TopHR, “2021 China Recruitment & Staffing Supplier 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 “Top 30 Chinese HR Technology Innovation Brands ” 中國人力資源科技創新品牌30強 by HR Tech China.

OUTLOOK & STRATEGY

Cautiously Optimistic for Upcoming Year

The year of 2022 began with an ongoing COVID-19 pandemic, in particular a recent widespread outbreak in Hong Kong and challenging pandemic situations in different cities of Mainland China with varying levels of severity, escalated regional conflicts, and uncertain global political and economic outlook, especially looming inflation risk. Looking to the future, the Group is cautiously optimistic with the confidence of the resilience of its people, the robustness of the business model, and the diversification within the business.

In terms of business performance in different regions, the Group expects continuous strong growth momentum in flexible staffing business in Mainland China with extended product portfolio. The recovery of Taiwan market will likely be gradual due to its nature as a small external economy which could be impacted by the pace of recovery of western economies. In Hong Kong, the Group remains cautious on its flexible staffing segment due to the most widespread pandemic outbreak in the city's history. However, the turnaround of the outdoor marketing/promotion business in Hong Kong is expected to contribute more profit to the region's performance in the medium term.

Flexible Staffing Remains Our Strategic Focus in 2022

The Group's strategic focus in 2022 will remain on flexible staffing in Mainland China driven by organic growth and potential merger and acquisition (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 high-volume sector, and accelerating expansion into under-penetrated regions in southern, central, and western China while at the same time shoring up its market leading position in tier-one cities (Beijing, Shanghai, Guangzhou and Shenzhen) to gain more market share and achieve greater economies of scale. Furthermore, the Group is proactively expanding its client base into the State-Owned-Enterprise (SOE) sector and financial services sector, and further widening its business offerings to increase its market share in Mainland China.

Going forward, the Group will actively seek 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.

Transformation of the Workforce Technology Platform

In 2022, the Group will continue to transform its workplace technology platform (“職場+”科技平台) in three major service areas with a focus on repositioning of its collaborative recruiting platform (天天U單) and HR SaaS product in order to enhance productivity and improve cross-selling between different business lines.

On a holistic level, the Group is working hard to transform its workforce technology platform into an integrated fullrounded service offering platform. By providing its HR SaaS product to corporate clients and other HR service providers including the Group's alliance and invested companies, the Group could further enlarge its own client base and obtain more orders/candidate referments from its coalitions, which in turn would enhance distribution productivity and boost cross-selling of the Group's other services.

By expanding team capacity and strengthening business development of suppliers, the Group aims to improve the diversity of its technology platform users and develop more suppliers of enterprise clients. Through leveraging the Group's leading market position, it could integrate resources in the industry and take full advantage of capabilities of its coalitions to achieve higher revenue growth and more value creation.

Further Investment in Our People and Internal Infrastructure

The Group is determined to continue to invest in its employees and associates, actively expand its team capacity, foster a productive and collaborative workplace, and make sure each member of our team is held accountable.

Last but not the least, in view of the importance of data protection and compliance, the Group has put great emphasis on data security training and internal operating technology infrastructure upgrading to make sure a safe data environment for its clients, associates and candidates.

KEY OPERATING 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 HR services, serving corporate and government clients across the Greater China Region. Given the fact that both headhunting and RPO services involve recruitment, with the focus of headhunting being the recruitment of middle to high-end talents and the focus of RPO services being the provision of large scale recruitment services, the Group has restructured its internal management and combined headhunting and RPO services into the business line “recruitment solutions” since the beginning of 2020. The Group believes that such arrangement has streamlined its organisational structure, improved its internal management efficiency and enhanced its responsiveness to clients’ changing demands in integrated recruitment services. The following table sets forth the Group’s key operating metrics for the years indicated:

	2021	2020	Change in percentage %
Flexible staffing			
Number of associates placed during the year (<i>approximately</i>)	48,000	38,500	24.7
Number of candidates in flexible talent database (<i>in thousands</i>)	1,780	1,700	4.7
Recruitment solutions			
Number of placements placed during the year (<i>approximately</i>)	6,248	3,686	69.5
Number of candidates in recruitment services database (<i>in thousands</i>)	3,230	3,100	4.2
Number of recruiters (<i>approximately</i>)	273	216	26.4
Overall			
Number of full time employees (<i>approximately</i>)	1,324	1,054	25.6

FINANCIAL REVIEW

Revenue

In 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 years indicated:

	For the year ended 31 December		
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	Change in percentage %
Workforce solutions services			
Flexible staffing	3,688,572	3,011,853	22.5
Recruitment solutions	248,266	186,246	33.3
Other HR services	32,036	24,532	30.6
Total	3,968,874	3,222,631	23.2

The revenue of the Group increased by approximately 23.2% from RMB3,222.6 million for the year ended 31 December 2020 to RMB3,968.9 million for the year ended 31 December 2021. This increase was attributable to the following:

- (i) the increase in revenue generated from flexible staffing by approximately by 22.5% from RMB3,011.9 million for the year ended 31 December 2020 to RMB3,688.6 million for the year ended 31 December 2021, primarily due to the increase in number of associates placed during the Reporting 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 33.3% from RMB186.2 million for the year ended 31 December 2020 to RMB248.3 million for the year ended 31 December 2021, primarily due to the increase in number of successful placements made during the Reporting Period owing to the recovery from COVID-19 pandemic; and
- (iii) the increase in revenue generated from other HR services by approximately by 30.6% from RMB24.5 million for the year ended 31 December 2020 to RMB32.0 million for the year ended 31 December 2021, primarily due to the increased in revenue generated from HR consultancy services of Right Management and government solution services in China.

During the Reporting Period, the Group operated in the Greater China Region with the PRC contributing the largest part of the Group's total revenue. The following table sets out a breakdown of the Group's revenue by geographic location for the years indicated:

	For the year ended 31 December		
	2021	2020	Change in
	<i>RMB'000</i>	<i>RMB'000</i>	percentage
			%
The PRC	2,464,036	1,763,695	39.7
Hong Kong and Macau	622,435	620,146	0.4
Taiwan	882,403	838,790	5.2
Total	3,968,874	3,222,631	23.2

Cost of services

The Group's cost of services increased by approximately 23.9% from RMB2,687.1 million for the year ended 31 December 2020 to RMB3,330.6 million for the year ended 31 December 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 19.2% from RMB535.5 million for the year ended 31 December 2020 to RMB638.2 million for the year ended 31 December 2021.

The Group's gross profit margin decreased from approximately 16.6% for the year ended 31 December 2020 to approximately 16.1% for the year ended 31 December 2021, which was primarily due to the following:

- (i) the Group has tapped into high-volume businesses in flexible staffing; and
- (ii) the direct costs paid to the subcontractors in recruitment solutions and other HR services increased.

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

	For the year ended 31 December		
	2021	2020	Change
	%	%	%
Workforce solutions services			
Flexible staffing	10.8	11.5	(0.7)
Recruitment solutions	87.5	91.0	(3.5)
Other HR services	72.8	74.3	(1.5)
Overall	16.1	16.6	(0.5)

Selling and administrative expenses

The Group's selling and administrative expenses primarily include (i) salaries and benefits; (ii) office expenses; (iii) others, including travelling, marketing and advertising expense; and (iv) share option and restricted shared units expenses.

The Group's selling expenses increased by approximately 16.9% from RMB302.3 million for the year ended 31 December 2020 to RMB353.5 million for the year ended 31 December 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 34.3% from RMB70.9 million for the year ended 31 December 2020 to RMB95.2 million for the year ended 31 December 2021, primarily due to (i) new offices to support the business expansion in China; (ii) the increase in marketing and advertising expenses, training expenses, travelling expenses; (iii) the increase in expenses in relation to share options and restricted shared units granted; and (iv) absence of reduction or waiver of social insurance contributions in China and subsidies granted under Employment Support Scheme in Hong Kong for the Group's employees during the Reporting Period.

The Group's selling expenses accounted for approximately 9.4% and 8.9% of its total revenue for the years ended 31 December 2020 and 2021, respectively, while the Group's administrative expenses accounted for approximately 2.2% and 2.4% of its total revenue for the years ended 31 December 2020 and 2021, respectively. The decrease in selling expenses as a percentage of total revenue was primarily due to the improvement on employee structure. The increase in administrative expenses as percentage of total revenue was primarily due to the increase in expenditure on business expansion and promotion, business support and employee development, and share options and restricted shared units expenses.

Other income

The Group's other income primarily includes interest income on bank deposits, dividend income from equity instruments and government grants. The Group's other income decreased by approximately 13.3% from RMB14.3 million for the year ended 31 December 2020 to RMB12.4 million for the year ended 31 December 2021.

Other gains and losses

The Group's other gains and losses consist of impairment loss on goodwill, net exchange (losses) gains and net fair value change in financial assets at fair value through profit or loss ("FVTPL"). The Group recorded other losses of RMB4.9 million for the year ended 31 December 2020 while the Group recorded other gains of RMB3.2 million for the year ended 31 December 2021 because of the absence of impairment loss on goodwill.

Share of profit of associates

The Group's share of profit of associates amounted to RMB3.2 million for the year ended 31 December 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 23.4% from RMB35.0 million for the year ended 31 December 2020 to RMB43.2 million for the year ended 31 December 2021.

The Group's effective income tax rate for the year ended 31 December 2021 was approximately 22.1%, compared to approximately 20.7% for the year ended 31 December 2020. The increase was primarily due to the withholding tax in respect of the dividend payment in Taiwan for distributable profit.

Profit for the year attributable to owners of the Company

As a result of the foregoing, the Group's profit for the year attributable to owners of the Company increased by approximately 10.1% from RMB126.4 million for the year ended 31 December 2020 to RMB139.2 million for the year ended 31 December 2021.

Adjusted profit for the year attributable to owners of the Company

The Group's adjusted profit for the year attributable to owners of the Company (excluding expenses in relation to stock options and restricted share units granted and impairment loss on goodwill) increased by approximately 7.0% from RMB136.2 million for the year ended 31 December 2020 to RMB145.7 million for the year ended 31 December 2021.

Non-GAAP (Generally-accepted accounting principles) financial measure

Adjusted profit attributable to owners of the Company is a non-GAAP measure used by the management of the Group to provide additional information on its operating performance and is not a standard measure under International Financial Reporting Standards (“IFRSs”). Adjusted profit attributable to owners of the Company takes out the expense in relation to stock options and restricted share units granted during the year and the impairment loss on goodwill, which are not indicators for evaluating the actual performance of the Group's business. The management of the Group believes that such a non-GAAP measure provides additional information to investors and others in understanding and evaluating the consolidated results of operations in the same manner as the management of the Group. The following table sets forth a reconciliation between the profit for the year and the adjusted profit for the year:

	For the year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Profit for the year attributable to owners of the Company	139,169	126,357
Adjustment for:		
Impairment loss on goodwill	–	7,726
Expenses in relation to share options and restricted share units granted	6,517	2,117
Adjusted profit for the year attributable to owners of the Company	145,686	136,200

The definitions of adjusted profit should not be considered in isolation or be construed as an alternative to profit for the year or any other standard measure under IFRSs or as an indicator of operating performance. Adjusted profit of the Group may not be comparable to similarly titled measures used by other companies.

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 of the Company (the “**Shares**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with the stock code 2180 (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 31 December 2021, the Group’s net current assets amounted to RMB1,112.2 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 RMB1,731.6 million as at 31 December 2021. The Group’s total current liabilities increased from RMB551.3 million as at 31 December 2020 to RMB619.4 million as at 31 December 2021.

Cash position

As at 31 December 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 FVTPL) of RMB1,054.3 million (31 December 2020: RMB1,068.8 million). The decrease in bank balances and cash was primarily due to the cash inflow from operating activities was offset by the dividend distribution and exchange losses from RMB appreciation.

Indebtedness

As at 31 December 2021, the Group had lease liabilities of RMB45.0 million (31 December 2020: RMB64.9 million). The Group had no bank loans or convertible loans during the Reporting Period and as at 31 December 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 31 December 2021 was not calculated (31 December 2020: Nil).

Pledge of assets

As disclosed under the section headed “Contingent Liabilities”, as at 31 December 2021, the Group had pledged its time deposit in an amount of RMB8.9 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 risk 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 risk relates primarily to trade receivables, other receivables, amounts due from fellow subsidiaries, restricted bank deposits, time deposits with original maturity over three months and bank balances, 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. The Group's concentration of credit risk by geographical locations is mainly in the PRC, Hong Kong and Macau and Taiwan, which accounted for 68%, 17% and 15% of the total trade receivables as at 31 December 2021, respectively. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of financial assets included in other receivables, amounts due from fellow subsidiaries, restricted bank deposits, time deposits with original maturity over three months and bank balances.

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 31 December 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 31 December 2021, the Group had outstanding surety bonds of RMB8.9 million (31 December 2020: RMB9.1 million), comprising restricted bank deposits, all of which were pledged as required by certain clients of the Group.

COMMITMENTS

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

USE OF PROCEEDS FROM THE LISTING

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 on 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 31 December 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	Unutilised	Proceeds	Actual use of	Unutilised	Expected timeline for fully utilising the remaining proceeds ^(Note)
				proceeds as at 1 Jan 2021 RMB'000	utilised during the financial year ended 31 Dec 2021 RMB'000	net proceeds up to 31 December 2021 RMB'000	net proceeds as at 31 December 2021 RMB'000	
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)	92,134	64,999	110,316	27,135	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)	109,625	12,534	40,360	97,091	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)	87,177	–	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)	17,070	4,709	10,563	12,361	On or before 31 December 2022
Working capital	Working capital and other general corporate purposes	–	45,847 (10% of total net proceeds)	15,313	15,313	45,847	–	
Total			458,200 (100% of total net proceeds)	321,319	97,555	234,436	223,764	

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 refer to the employees for the Group's operations, including finance and information technology and excluding those for flexible staffing assignments. Associates refer to those who are assigned to work on client premises, typically under client instruction and supervision during the term of deployment. As at 31 December 2021, the Group employed approximately 1,324 full-time own employees and approximately 48,000 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 also adopted a restricted share unit scheme on 10 June 2021 ("**RSU Scheme**") to recognise 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 further details of the RSU Scheme, please refer to the announcements of the Company dated 10 June 2021 and 16 June 2021.

EVENTS AFTER THE REPORTING PERIOD

There were no material events undertaken by the Group subsequent to 31 December 2021 and up to the date of this announcement.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 31 December 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.

ANNUAL RESULTS

The audited consolidated results of the Group for the Reporting Period with the comparative figures for the preceding financial year are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	For the year ended 31 December	
		2021 RMB'000	2020 RMB'000
Revenue	3	3,968,874	3,222,631
Cost of services		<u>(3,330,640)</u>	<u>(2,687,130)</u>
Gross profit		638,234	535,501
Selling expenses		(353,474)	(302,348)
Administrative expenses		(95,160)	(70,874)
Other income		12,432	14,269
Impairment losses under expected credit loss ("ECL") model, net of reversal		(9,942)	(612)
Other gains and losses		3,240	(4,867)
Finance costs		(2,851)	(3,975)
Share of profit of associates		<u>3,159</u>	<u>1,784</u>
Profit before tax		195,638	168,878
Income tax expense	4	<u>(43,150)</u>	<u>(34,991)</u>
Profit for the year		152,488	133,887
Other comprehensive income (expense)			
<i>Item that will not be reclassified to profit or loss:</i>			
Actuarial gains (losses) from remeasurement of defined benefit obligations, net of tax		2	340
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(20,600)</u>	<u>(43,469)</u>
Other comprehensive expense for the year, net of tax		<u>(20,598)</u>	<u>(43,129)</u>
Total comprehensive income for the year		<u>131,890</u>	<u>90,758</u>

		For the year ended	
		31 December	
		2021	2020
	<i>NOTE</i>	RMB'000	<i>RMB'000</i>
Profit for the year attributable to:			
Owners of the Company		139,169	126,357
Non-controlling interests		13,319	7,530
		<u>152,488</u>	<u>133,887</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		119,498	82,600
Non-controlling interests		12,392	8,158
		<u>131,890</u>	<u>90,758</u>
Earnings per share	7		
Basic (<i>RMB</i>)		<u>0.67</u>	<u>0.61</u>
Diluted (<i>RMB</i>)		<u>0.67</u>	<u>0.61</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2021	2020
<i>NOTES</i>		<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
		14,573	15,025
		43,364	63,340
		51,510	52,945
		67,783	58,403
		25,906	31,807
		9,705	9,705
		7,510	3,752
		9,558	11,207
		18,930	18,983
		8,657	9,143
		440	438
		<hr/> 257,936 <hr/>	<hr/> 274,748 <hr/>
 CURRENT ASSETS			
	8	685,470	525,895
	9	495	189
		–	90,459
		230	–
		250,076	291,303
		795,349	677,908
		<hr/> 1,731,620 <hr/>	<hr/> 1,585,754 <hr/>
 CURRENT LIABILITIES			
	10	520,473	468,895
		33,331	28,959
		25,715	28,663
	9	10,208	9,135
	9	465	844
		29,208	14,843
		<hr/> 619,400 <hr/>	<hr/> 551,339 <hr/>

	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
NET CURRENT ASSETS	1,112,220	1,034,415
TOTAL ASSETS LESS CURRENT LIABILITIES	1,370,156	1,309,163
NON-CURRENT LIABILITIES		
Deferred tax liabilities	21,127	16,479
Lease liabilities	19,255	36,279
	40,382	52,758
NET ASSETS	1,329,774	1,256,405
CAPITAL AND RESERVES		
Share capital	1,830	1,830
Reserves	1,252,550	1,189,362
Equity attributable to owners of the Company	1,254,380	1,191,192
Non-controlling interests	75,394	65,213
TOTAL EQUITY	1,329,774	1,256,405

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
OPERATING ACTIVITIES		
Profit before tax	195,638	168,878
Adjustments for:		
Finance costs	2,851	3,975
Bank interest income	(7,280)	(9,595)
Dividend income	(878)	(975)
Depreciation of property and equipment	5,828	5,174
Depreciation of right-of-use assets	29,985	31,768
Amortisation of intangible assets	2,550	2,734
Loss on disposal of property and equipment	335	773
Net fair value change in financial assets at FVTPL	(1,582)	(3,001)
Net imputed interest on consideration receivables	(649)	1,633
Impairment losses under ECL model, net of reversal	9,942	612
Impairment loss on goodwill	–	7,726
Equity-settled share-based payments	6,517	2,117
Share of profit of associates	(3,159)	(1,784)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	240,098	210,035
Increase in trade and other receivables, deposits and prepayments	(173,919)	(25,062)
(Increase) decrease in amounts due from fellow subsidiaries	(306)	84
Increase in trade and other payables	54,573	115,058
Increase in contract liabilities	4,478	8,134
Increase (decrease) in amount due to ultimate holding company	1,285	(751)
(Decrease) increase in amounts due to fellow subsidiaries	(379)	106
Increase in retirement benefit assets	–	(85)
	<hr/>	<hr/>
Cash generated from operations	125,830	307,519
Income tax paid	(25,998)	(34,969)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	99,832	272,550
	<hr/>	<hr/>

	For the year ended	
	31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
INVESTING ACTIVITIES		
Interest received	7,280	9,595
Dividend received	878	975
Purchases of property and equipment	(5,750)	(5,024)
Proceeds from disposal of property and equipment	–	66
Proceeds from disposal of other financial assets at FVTPL	–	20,297
Placement of structured deposits	(150,402)	(446,000)
Settlement of structured deposits	242,443	471,537
Placement of time deposits	(348,067)	(572,396)
Withdrawal of time deposits	381,550	264,365
Placement of restricted bank deposits	–	(29,600)
Withdrawal of restricted bank deposits	–	45,600
Repayment from fellow subsidiaries	–	597
Proceeds on disposal of an associate	9,060	–
Addition of investments in associates	–	(27,350)
Return of capital from an associate	–	1,599
Settlement of consideration receivables from disposal of subsidiaries	2,298	2,650
Development costs paid	(12,883)	(18,186)
	<hr/>	<hr/>
NET CASH FROM (USED IN) FROM INVESTING ACTIVITIES	126,407	(281,275)
	<hr/>	<hr/>

	For the year ended	
	31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
FINANCING ACTIVITIES		
Interest paid	(2,851)	(3,975)
Advance from fellow subsidiaries	–	52
Repayment to fellow subsidiaries	–	(263)
Dividends paid to NCI shareholders	(2,211)	(4,361)
Dividends paid	(56,035)	(51,184)
Repayment of lease liabilities	(29,944)	(30,412)
Purchase of shares for RSU Scheme	(6,792)	–
	<u> </u>	<u> </u>
NET CASH (USED IN) FROM FINANCING ACTIVITIES	<u>(97,833)</u>	<u>(90,143)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	128,406	(98,868)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	677,908	806,967
Effect of foreign exchange rate changes	(10,965)	(30,191)
	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	<u>795,349</u>	<u>677,908</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

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 People’s Republic of China (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 to as “**Greater China Region**”).

The 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.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“**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 consolidated financial statements:

Amendment to IFRS 9, IAS 39, IFRS 7, Interest Rate Benchmark Reform – Phase 2
IFRS 4 and IFRS 16

In addition, the Group has early applied the Amendments 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 year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on early application of Amendments to IFRS 16 *COVID-19-Related Rent Concessions beyond 30 June 2021*

The Group has early applied the amendment in the current year. The amendment extends the availability of the practical expedient in paragraph 46A of IFRS 16 *Leases* (“**IFRS 16**”) by one year so that the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The application of this amendment has had no material impact on the Group’s financial positions and performance for the current and prior years.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments ²
Amendments to IFRS 3	Reference to the Conceptual Framework ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to IAS 8	Definition of Accounting Estimates ²
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018-2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in IFRS 3 *Business Combinations* so that it refers to the *Conceptual Framework for Financial Reporting* issued by IASB in March 2018 (the “**Conceptual Framework**”) instead of the International Accounting Standards Committee’s *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting* issued in September 2010);
- add a requirement that, for transactions and other events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or International Financial Reporting Interpretations Committee – Interpretation 21 *Levies* (“**IFRIC 21**”), an acquirer applies IAS 37 or IFRIC 21 instead of Conceptual Framework to identify the liabilities it has assumed in a business combination; and
- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

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 a limited time or a specific project. The Group provides contingent workers contracted with the Group that it finds suitable for the job descriptions and assign them to the customers.
 - Recruitment solutions services include recruitment process outsourcing (“RPO”) 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 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.

Segment revenue and results

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

Year ended 31 December 2021

	Workforce Solutions RMB’000	Other HR Services RMB’000	Total RMB’000
Segment revenue	3,936,838	32,036	3,968,874
Segment profit	614,896	23,338	638,234
Unallocated:			
Selling expenses			(353,474)
Administrative expenses			(95,160)
Other income			12,432
Impairment losses under ECL model, net of reversal			(9,942)
Other gains and losses			3,240
Finance costs			(2,851)
Share of profit of associates			3,159
Profit before tax			195,638

Year ended 31 December 2020

	Workforce Solutions <i>RMB'000</i>	Other HR Services <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	3,198,099	24,532	3,222,631
Segment profit Unallocated:	517,262	18,239	535,501
Selling expenses			(302,348)
Administrative expenses			(70,874)
Other income			14,269
Impairment losses under ECL model, net of reversal			(612)
Other gains and losses			(4,867)
Finance costs			(3,975)
Share of profit of associates			1,784
Profit before tax			168,878

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the operations of customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets*	
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
PRC	2,464,036	1,763,695	112,946	121,736
Hong Kong and Macau	622,435	620,146	86,765	94,494
Taiwan	882,403	838,790	3,425	5,290
	3,968,874	3,222,631	203,136	221,520

* Non-current assets excluded those relating to deferred tax assets, retirement benefit assets and financial instruments.

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 or 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. In addition, impairment loss on goodwill of approximately RMB7,726,000 recognised in profit or loss for Workforce Solutions segment for the year ended 31 December 2020 was provided to the CODM but not included in the measure of segment profit.

There were no inter-segment sales for both years.

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.

Information about major customers

Revenue from the customer of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Customer A ¹	<u>1,048,506</u>	<u>705,257</u>

Disaggregation of revenue

Year ended 31 December 2021

	Workforce Solutions <i>RMB'000</i>	Other HR Services <i>RMB'000</i>	Total <i>RMB'000</i>
Types of service			
Flexible staffing	3,688,572	–	3,688,572
Recruitment solutions	248,266	–	248,266
Others	–	32,036	32,036
	<u>3,936,838</u>	<u>32,036</u>	<u>3,968,874</u>

Year ended 31 December 2020

	Workforce Solutions <i>RMB'000</i>	Other HR Services <i>RMB'000</i>	Total <i>RMB'000</i>
Types of service			
Flexible staffing	3,011,853	–	3,011,853
Recruitment solutions	186,246	–	186,246
Others	–	24,532	24,532
	<u>3,198,099</u>	<u>24,532</u>	<u>3,222,631</u>

¹ Revenue from Workforce Solutions

4. INCOME TAX EXPENSE

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Current tax:		
– PRC Enterprise Income Tax (“EIT”)	20,981	14,651
– Hong Kong Profits Tax	5,042	2,953
– Macau Complementary Tax	26	43
– Taiwan Income Tax	9,187	6,003
– Taiwan dividend withholding tax	2,717	3,794
	<u>37,953</u>	<u>27,444</u>
(Over) underprovision in prior years:		
– PRC EIT	(792)	84
– Hong Kong Profits Tax	–	(532)
– Taiwan Income Tax	40	(30)
	<u>(752)</u>	<u>(478)</u>
Deferred tax	<u>5,949</u>	<u>8,025</u>
	<u>43,150</u>	<u>34,991</u>

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. The Group’s subsidiaries that are tax residents in the PRC are subject to the PRC dividend withholding tax of 5% for those non-PRC tax resident immediate holding companies registered in Hong Kong, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008.

Certain PRC subsidiaries of the Group were qualified as Small Low-Profit Enterprise, under the relevant tax regulations in the PRC, which were entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime for the years ended 31 December 2020 and 2021. Under the two-tiered profits tax rates regime, the first RMB1,000,000 of the taxable income of qualified entities are taxed at 2.5% (2020: 5%), and the taxable income above RMB1,000,000 and less than RMB3,000,000 are taxed at 10% (2020: 10%).

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000.

Macau Complementary Tax is calculated at 12% of the estimated assessable profit for both years.

Taiwan Income Tax is calculated at 20% of the estimated assessable profit for both years. Under the relevant regulations in Taiwan, unappropriated earnings of subsidiaries in Taiwan is subject to a corporate surtax of 5%. Withholding tax of 21% is imposed on dividends declared in respect of profits earned by Taiwan subsidiaries that are received by non-Taiwan resident entities.

5. PROFIT FOR THE YEAR

	2021	2020
	RMB'000	RMB'000
Profit for the year has been arrived at after charging (crediting):		
Directors' emoluments		
Fees	588	642
Salaries, allowances and other benefits	4,097	3,218
Retirement benefit scheme contributions	121	62
Performance related bonus	2,803	835
Equity-settled share-based payments	807	211
	<u>8,416</u>	<u>4,968</u>
Other staff costs		
Salaries, allowances and other benefits	3,015,227	2,718,430
Retirement benefit scheme contributions	542,302	227,283
Equity-settled share-based payments	5,710	1,906
	<u>3,563,239</u>	<u>2,947,619</u>
Total staff costs	<u>3,571,655</u>	<u>2,952,587</u>
Auditors remuneration	2,796	2,830
Depreciation of property and equipment	5,828	5,174
Depreciation of right-of-use assets	29,985	31,768
Amortisation of intangible assets	2,550	2,734
Loss on disposal of property and equipment	335	773
Research and development costs recognised as an expense (included in administrative expenses)	85	449
COVID-19-related rent concessions	–	(234)

For the years ended 31 December 2020 and 2021, 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. DIVIDEND

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

During the year ended 31 December 2021, a final dividend of HK\$0.32 per ordinary share in respect of the year ended 31 December 2020, in an aggregate amount of approximately HK\$66.4 million (equivalent to approximately RMB56 million), was declared and paid in July 2021.

Subsequent to the end of the Reporting Period, a final dividend of HK\$0.37 per ordinary share in respect of the year ended 31 December 2021, in an aggregate amount of approximately HK\$76.8 million (equivalent to approximately RMB62.3 million), has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting.

7. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>139,169</u>	<u>126,357</u>
Number of shares		
	2021	2020
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	<u>123,695</u>	<u>196,484</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>207,623,695</u>	<u>207,696,484</u>

The computation of diluted earnings per share for the years ended 31 December 2021 and 2020 did not assume the exercise of certain share options granted by the Company because the exercise prices of those options was higher than the average market prices for shares of the Company for the respective period.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The following is an aged analysis of trade receivables net of allowance for credit losses, presented based on the invoice dates:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
0–30 days	585,231	418,415
31–60 days	34,458	16,429
61–90 days	15,124	7,323
Over 90 days	12,384	14,915
	647,197	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:

	Amounts due from fellow subsidiaries	
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
0–30 days	253	124
31–60 days	220	33
61–90 days	22	20
Over 90 days	–	12
	495	189

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	
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
0–30 days	887	726	59	43
31–60 days	900	635	–	82
61–90 days	925	258	–	34
Over 90 days	292	100	406	685
	3,004	1,719	465	844

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of the trade payables at the end of the Reporting Period, presented based on the invoice date:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
0–30 days	17,409	13,627
31–60 days	–	12
61–90 days	47	23
91–120 days	–	140
	<u>17,456</u>	<u>13,802</u>

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders 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 Listing Rules as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable code provisions under the Corporate Governance Code throughout the Reporting Period.

Further information about the corporate governance practices of the Company will be set out in the annual report of the Company for the year ended 31 December 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) as the guidelines for the Directors’ dealings in the securities of the Company. Upon specific enquiries of all the Directors, each of them has confirmed that he/she had complied with all applicable code provisions under the Model Code throughout the Reporting Period.

As required by the Company, relevant officers and employees of the Company are also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when he/she possesses insider information in relation to those securities. No incident of noncompliance of the Model Code by the relevant officers and employees was noted by the Company.

REVIEW OF ACCOUNTS

The Board established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting system, risk management and internal control systems of the Group, to oversee the audit process, to develop and review the policies and to perform other duties and responsibilities as assigned by the Board. The Audit Committee consists of five members, namely Mr. Victor HUANG, Mr. John Thomas MCGINNIS, Mr. ZHAI Feng, Mr. Thomas YEOH Eng Leong and Ms. WONG Man Lai Stevie. Mr. Victor HUANG, Mr. Thomas YEOH Eng Leong and Ms. WONG Man Lai Stevie are independent non-executive Directors. The chairman of the Audit Committee is Mr. Victor HUANG, who possesses appropriate professional qualifications.

The Audit Committee has discussed with the external auditor of the Company and reviewed the annual results and the consolidated accounts of the Group for the year ended 31 December 2021. The Audit Committee has agreed with the external auditor of the Company on the annual results of the Group for the year ended 31 December 2021.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board of Directors. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Group did not purchase, sell or redeem any of the listed securities of the Company.

ANNUAL GENERAL MEETING

The 2022 annual general meeting is scheduled to be held on Wednesday, 29 June 2022. A notice convening the 2022 annual general meeting will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK\$0.37 per ordinary share (equivalent to approximately RMB0.30 per ordinary share) payable in cash. The proposed final dividend is subject to the approval of the Shareholders at the Company's forthcoming annual general meeting to be held on Wednesday, 29 June 2022. The proposed final dividend will be declared and paid in Hong Kong dollars. Subject to the approval of the Shareholders at the Company's forthcoming annual general meeting, the proposed final dividend is expected to be paid on or around Wednesday, 20 July 2022.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the Shareholders' eligibility to attend, speak and vote at the forthcoming annual general meeting and the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed as appropriate as set out below:

For determining the entitlement to attend, speak and vote at the forthcoming annual general meeting

The Register of Members will be closed from Friday, 24 June 2022 to Wednesday, 29 June 2022, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the forthcoming annual general meeting, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 23 June 2022.

For determining the entitlement to the proposed final dividend

The Register of Members will be closed from Wednesday, 6 July 2022 to Monday, 11 July 2022, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend for Reporting Period, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 5 July 2022.

PUBLICATION OF ANNUAL RESULTS

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.manpowergrc.com. The Company's 2021 annual report will be despatched to Shareholders and published on the aforementioned websites in due course.

By order of the Board
ManpowerGroup Greater China Limited
CUI Zhihui
Executive Director and
Chief Executive Officer

Hong Kong, 30 March 2022

As at the date of this announcement, the executive Director is Mr. CUI Zhihui; the non-executive Directors are Mr. Darryl E GREEN, Mr. John Thomas MCGINNIS, Mr. ZHANG Yinghao and Mr. ZHAI Feng; and the independent non-executive Directors are Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG.