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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 INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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 2022 (the “**Period**”), together with the comparative figures for the corresponding period of 2021 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>
	2022	2021	<i>percentage</i>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>%</i>
Revenue*	2,228,329	1,870,961	19.1*
Profit attributable to owners of the Company	54,591	64,296	(15.1)
Adjusted profit attributable to owners of the Company	59,484	66,599	(10.7)
Net cash generated from (used in) operating activities	43,127	(17,117)	352.0
The number of full time employee	1,370	1,098	24.8

* Revenue of Mainland China flexible staffing increased by approximately 28% in the first half of 2022 compared with the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of 2022, COVID-19 continued to pose significant challenges for the Group with a three-month lockdown in Shanghai, where the Group's headquarters locates and over one third of the employees are based. The unprecedented disruption caused by tightening of travel restrictions and quarantine requirements in major cities in Mainland China, increasing geopolitical tension, and weak economic growth have continued to affect our business negatively.

Despite the ongoing challenges, the Group has been able to keep up the fast-growing momentum in its flexible staffing business in Mainland China and has turned around its business in Hong Kong. The recruitment solutions segment, which had rebounded significantly in 2021 was severely impacted by the lockdowns in Shanghai and other major cities in China during the second quarter but still realised a minor revenue growth.

For the first half of 2022, the Group achieved a total revenue of RMB2,228.3 million, representing a growth of approximately 19.1% compared to the same period of 2021. Revenue generated from the flexible staffing business segment grew by approximately 20.8% on a year over year basis to RMB2,101.3 million, of which the flexible staffing revenue from Mainland China recorded an increase of approximately 28% compared with the same period last year. Revenue generated from the recruitment solutions segment increased slightly to RMB117.1 million, up to 1.2% on a year over year basis from the same period last year mainly due to the negative impact of lockdowns of cities in the second quarter. During the Period, profit attributable to owners of the Company decreased to RMB54.6 million, representing a negative growth of approximately 15.1% year over year. Adjusted profit attributable to owners of the Company, after taking into account of the stock option and restricted share units expenses, decreased to RMB59.5 million by approximately 10.7% on a year over year basis.

In addition, the Group continued to expand its service offerings in Mainland China during the first half of 2022, particularly in the flexible staffing business with new State-Owned Enterprises (SOE) clients and clients from the financial sector. 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 approximately 22.0% from approximately 25,000 as of 30 June 2021 to approximately 30,500 as of 30 June 2022.

In a view of accelerating expansion into the 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 and Guangzhou as well to bolster its strong market position in tier-one cities. The total number of employees has increased by approximately 24.8% to 1,370 from 1,098 at the end of June 2021. In addition, the Group remained committed to growing its existing accounts, with revenue contribution from its top 5 clients increasing by approximately 26.8% and accounting for approximately 40.0% of its total revenue for the Period. Moreover, net cashflow from operating activities improved significantly from cash outflow of RMB17.1 million to cash inflow of RMB43.1 million while the turnover days of trade receivable increased to 53.9 days from 50.2 days of the last year due to prolonged payment cycles as a result of the lockdown in Shanghai.

To implement its strategic initiatives of digitalisation, the Group has been transforming the workforce technology platform and upgrading the internal technological infrastructure for the 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 the end of June 2022, the Group's recruiting service product (天天U才) had recorded around 48,000 Monthly Active User (MAU) with approximately 7,300 positions posted; the collaborative platform (天天U單) had posted around 9,000 positions during the Period; the Group's employee value-adding platform (天天U福) had registered over 31,000 members. As of the end of June 2022, the Group's talent pool has reached a total number of around 5.8 million.

The Group's efforts in providing customised and professional services to its clients in the Greater China region have been recognised with a number of awards, including "2022 Top100 Human Resources Service Organization" ("2022人力資源服務機構100強") by TopHR, "2021 Best HR (human resources) Service Provider" ("2021年度最佳人力資源服務機構") by HRoot, and "2021 Annual Human Resources Technology Innovation Product Award" ("2021年度人力資源科技創新產品獎") by HR Tech China.

FUTURE OUTLOOK AND STRATEGIES

Remain Cautious for the Rest of the Year

The Group remains cautious for the rest of 2022 mainly due to external uncertainties. Possible disruptions of more lockdowns due to COVID-19 especially when approaching winter, potential escalation of regional geopolitical conflicts, together with weak economic growth momentum could cast further uncertainties on our business growth. With that said, the Group is confident about 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 stable growth momentum in flexible staffing business in Mainland China with extended product portfolios. The outlook of Taiwan market will be neutral and could be impacted by the pace of recovery of western economies. Hong Kong market has picked its growth momentum and showed further signs of recovery with relaxation of COVID-19 restrictions in the region. In addition, 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 the second half of 2022 will remain on flexible staffing in Mainland China driven by the extension of its product portfolio into the IT Outsourcing (ITO) business and high-volume businesses. 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 to gain more market share and achieve greater economies of scale. Furthermore, the Group is proactively expanding its client base into the SOE sector and financial services sector, and further widen its business offerings to increase its market share in Mainland China.

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 client base and take advantage of the synergy between the parties. For the second half of 2022, the Group will actively consider opportunities of strategic acquisition and cooperation in order to strengthen its leadership position in the workforce solutions market.

Optimisation of the Workforce Technology Platform

For the second half of 2022, the Group will continue to optimise its workforce technology platform (「職場+」科技平台) with focus on the collaborative recruiting platform (天天U單) to increase the volume of orders and number of suppliers in order to enhance productivity and improve cross-selling between different business lines.

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.

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:

	Six months ended 30 June		Change in
	2022	2021	%
Flexible staffing			
Number of associate placed during the period (approximately)	30,500	25,000	22.0
Number of candidate in flexible talent database (in thousands)	1,900	1,700	11.8
Recruitment solutions			
Number of placement during the period (approximately)	2,865	3,500	(18.1)
Number of candidate in recruitment services database (in thousands)	3,250	3,687	(11.9)
Number of recruiters (approximately)	312	283	10.2
Overall			
Number of full time employees (approximately)	1,370	1,098	24.8

FINANCIAL REVIEW

During the six months ended 30 June 2022, 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		<i>Change in percentage %</i>
	2022	2021	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue			
Workforce solution services			
Flexible staffing	2,101,305	1,739,341	20.8
Recruitment solutions	117,111	115,751	1.2
Other HR services	9,913	15,869	(37.5)
Total	2,228,329	1,870,961	19.1

The revenue of the Group increased by approximately 19.1% from RMB1,871.0 million for the six months ended 30 June 2021 to RMB2,228.3 million for the six months ended 30 June 2022. This increase was mainly attributable to the following:

- (i) the increase in revenue generated from flexible staffing by approximately 20.8% from RMB1,739.3 million for the six months ended 30 June 2021 to RMB2,101.3 million for the six months ended 30 June 2022, primarily due to the increase in number of associates placed during the Period in the PRC, Hong Kong and Taiwan; and
- (ii) the increase in revenue generated from recruitment solutions by approximately 1.2% from RMB115.8 million for the six months ended 30 June 2021 to RMB117.1 million for the six months ended 30 June 2022, primarily due to the increase in billable remuneration of candidates during the Period.

Such increase was partially offset by the decrease in revenue generated from other HR services by approximately 37.5% from RMB15.9 million for the six months ended 30 June 2021 to RMB9.9 million for the six months ended 30 June 2022, primarily due to the decrease in revenue generated from HR consultancy services of Right Management and government solution services as a result of the outbreak of COVID-19 in several major cities in China.

During the six months ended 30 June 2022, 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 %
	2022 <i>RMB’000</i>	2021 <i>RMB’000</i>	
Revenue			
The PRC	1,437,771	1,153,556	24.6
Hong Kong and Macau	298,584	284,186	5.1
Taiwan	491,974	433,219	13.6
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Total	2,228,329	1,870,961	19.1
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Cost of services

The Group’s cost of services increased by approximately 22.0% from RMB1,583.0 million for the six months ended 30 June 2021 to RMB1,931.0 million for the six months ended 30 June 2022. This increase was generally in line with the Group’s flexible staffing revenue growth, which business accounted most of the cost.

Gross profit and gross profit margin

Gross profit represents revenue less cost of services. The Group’s gross profit increased by approximately 3.3% from RMB287.9 million for the six months ended 30 June 2021 to RMB297.3 million for the six months ended 30 June 2022.

The Group’s gross profit margin decreased from approximately 15.4% for the six months ended 30 June 2021 to approximately 13.3% for the six months ended 30 June 2022, primarily due to the increase in proportion of revenue generated from 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 (%)
	2022 (%)	2021 (%)	
Workforce solution services			
Flexible staffing	8.8	10.0	(1.2)
Recruitment solutions	90.2	88.4	1.8
Other HR services	65.9	70.1	(4.2)
Overall	13.3	15.4	(2.1)

Selling and administrative expenses

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

The Group's selling expenses increased by approximately 11.3% from RMB167.0 million for the six months ended 30 June 2021 to RMB185.8 million for the six months ended 30 June 2022, primarily due to the increase of staff cost as a result of the expansion of the Group's business and increase in investment of human capital.

The Group's administrative expenses increased by approximately 14.4% from RMB35.4 million for the six months ended 30 June 2021 to RMB40.5 million for the six months ended 30 June 2022, primarily due to: (i) share options expense and restricted share units expenses; (ii) investment in information technology; and (iii) investment in the staff training and development.

The Group's selling expenses accounted for approximately 8.9% and 8.3% of its total revenue for the six months ended 30 June 2021 and 2022, respectively, while the Group's administrative expenses accounted for approximately 1.9% and 1.8% of its total revenue for the six months ended 30 June 2021 and 2022, respectively.

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 increased by approximately 42.1% from RMB3.8 million for the six months ended 30 June 2021 to RMB5.4 million for the six months ended 30 June 2022, which was primarily attributable to the increase in interest income on bank deposits.

Other gains and losses

The Group's other gains and losses consist of net exchange gains and 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 increased by approximately 580% from RMB1.0 million for the six months ended 30 June 2021 to RMB6.8 million for the six months ended 30 June 2022, which was primarily attributable to the increase in net exchange gains.

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 and RMB2.2 million for the six months ended 30 June 2022.

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 was RMB16.8 million for the six months ended 30 June 2021 and RMB16.7 million for the six months ended 30 June 2022, respectively.

The Group's effective income tax rate for the six months ended 30 June 2022 was approximately 20.1%, compared to approximately 19.2% for the six months ended 30 June 2021.

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 decreased by approximately 15.1% from RMB64.3 million for the six months ended 30 June 2021 to RMB54.6 million for the six months ended 30 June 2022.

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 and restricted share units granted decreased by approximately 10.7% from RMB66.6 million for the six months ended 30 June 2021 to RMB59.5 million for the six months ended 30 June 2022.

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 2022, the Group’s net current assets amounted to RMB1,161.4 million (31 December 2021: RMB1,112.2 million). Specifically, the Group’s total current assets increased from RMB1,731.6 million as at 31 December 2021 to RMB1,826.2 million as at 30 June 2022. The Group’s total current liabilities increased from RMB619.4 million as at 31 December 2021 to RMB664.8 million as at 30 June 2022. 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 2022, 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 RMB1,102.2 million (31 December 2021: RMB1,054.3 million). The increase in bank balances and cash was primarily due to the cash inflow from business operations owing to the Group’s solid cash management, even at the hard times during the outbreak of COVID-19 in several major cities in China.

Indebtedness

As at 30 June 2022, the Group had lease liabilities of RMB39.2 million (31 December 2021: RMB45.0 million). The Group had no bank loans or convertible loans during the Period and as at 30 June 2022 (31 December 2021: Nil). As a result, the Group’s gearing ratio (calculated as total bank and other borrowings divided by total equity) as at 30 June 2022 was not calculated (31 December 2021: Nil).

Pledge of assets

As disclosed under the section headed “Contingent Liabilities”, as at 30 June 2022, the Group had pledged its time deposit in an amount of RMB9.3 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 a non-controlling shareholder 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 2022, the current ratio (calculated as total current assets divided by the total current liabilities) of the Group was 2.7 times (31 December 2021: 2.8 times).

CONTINGENT LIABILITIES

As at 30 June 2022, the Group had outstanding surety bonds of RMB9.3 million (31 December 2021: RMB8.9 million), for which restricted bank deposits were pledged as required by certain clients of the Group.

COMMITMENTS

As at 30 June 2022, the Group did not have any significant capital and other commitments, long-term obligations or guarantee (31 December 2021: Nil).

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 30 June 2022, 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 Period, 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 2022.

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 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 30 June 2022:

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 as at 1 January 2022 RMB'000	Proceeds utilised during the six months ended 30 June 2022 RMB'000	Actual use of net proceeds up to 30 June 2022 RMB'000	Unutilised net proceeds as at 30 June 2022 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)	27,135	22,194	132,510	4,941	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)	97,091	4,711	45,071	92,380	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	6,900	34,250	80,277	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)	12,361	1,988	12,551	10,373	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)	223,764	35,793	270,229	187,971	

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 30 June 2022, the Group employed approximately 1,370 own employees and approximately 30,500 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 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 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 2022 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 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, the trustee of the RSU Scheme purchased on the market an aggregate of 413,750 Shares, at prices ranging from HK\$8.69 to HK\$9.29 per Share for an aggregate consideration of approximately RMB3,198,000.

Save as disclosed above, the Group did not purchase, sell or redeem any of the listed securities of the Company during the Period.

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 D.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 2022. The condensed consolidated financial statements for the six months ended 30 June 2022 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 has evaluated the cash position of the Company and has resolved the payment of an interim dividend of HK\$1.60 per Share (equivalent to RMB1.37 per Share) amounting to a total of HK\$332 million (equivalent to RMB283.9 million) for the six months ended 30 June 2022 (the “**2022 Interim Dividend**”). The 2022 Interim Dividend will be paid in Hong Kong dollars to the Shareholders on Thursday, 29 September 2022.

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

For determining the entitlement to the 2022 Interim Dividend

The register of members of the Company will be closed from Thursday, 15 September 2022 to Tuesday, 20 September 2022, both days inclusive, during which period no transfer of Shares will be effected.

In order to qualify for the 2022 Interim Dividend, 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 Wednesday, 14 September 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	NOTES	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Revenue	3	2,228,329	1,870,961
Cost of services		(1,931,015)	(1,583,024)
Gross profit		297,314	287,937
Selling expenses		(185,755)	(167,023)
Administrative expenses		(40,469)	(35,400)
Other income		5,354	3,813
Impairment losses under expected credit loss ("ECL") model, net of reversal		(1,458)	(2,200)
Other gains and losses		6,754	1,014
Finance costs		(1,101)	(1,497)
Share of profit of associates		2,233	647
Profit before tax		82,872	87,291
Income tax expense	4	(16,683)	(16,789)
Profit for the period	5	66,189	70,502
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		128	74
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		30,642	(8,046)
Other comprehensive income (expense) for the period, net of tax		30,770	(7,972)
Total comprehensive income for the period		96,959	62,530

		Six months ended 30 June	
		2022	2021
	<i>NOTE</i>	RMB'000	<i>RMB'000</i>
		(unaudited)	(unaudited)
Profit for the period attributable to:			
Owners of the Company		54,591	64,296
Non-controlling interests		11,598	6,206
		<u>66,189</u>	<u>70,502</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		85,772	56,650
Non-controlling interests		11,187	5,880
		<u>96,959</u>	<u>62,530</u>
Earnings per share	7		
Basic (RMB)		<u>0.26</u>	<u>0.31</u>
Diluted (RMB)		<u>0.26</u>	<u>0.31</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

		At 30 June 2022 <i>RMB'000</i> (unaudited)	At 31 December 2021 <i>RMB'000</i> (audited)
NON-CURRENT ASSETS			
Property and equipment		14,981	14,573
Right-of-use assets		38,862	43,364
Goodwill		54,016	51,510
Other intangible assets		71,394	67,783
Interests in associates		28,139	25,906
Equity instruments at fair value through other comprehensive income (“FVTOCI”)		9,705	9,705
Deferred tax assets		8,558	7,510
Consideration receivables		9,784	9,558
Deposits		18,632	18,930
Restricted bank deposits		–	8,657
Retirement benefit assets		568	440
		254,639	257,936
CURRENT ASSETS			
Trade and other receivables, deposits and prepayments	8	716,048	685,470
Amounts due from fellow subsidiaries	9	602	495
Amount due from a non-controlling shareholder	9	7,335	–
Restricted bank deposits		9,280	230
Time deposits with original maturity over three months		406,055	250,076
Bank balances and cash		686,902	795,349
		1,826,222	1,731,620
CURRENT LIABILITIES			
Trade and other payables	10	571,063	520,473
Contract liabilities		43,443	33,331
Lease liabilities		20,155	25,715
Amount due to ultimate holding company	9	9,705	10,208
Amounts due to fellow subsidiaries	9	479	465
Tax payables		19,980	29,208
		664,825	619,400

	At 30 June 2022 <i>RMB'000</i> (unaudited)	At 31 December 2021 <i>RMB'000</i> (audited)
NET CURRENT ASSETS	<u>1,161,397</u>	<u>1,112,220</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,416,036</u>	<u>1,370,156</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	23,647	21,127
Lease liabilities	<u>19,054</u>	<u>19,255</u>
	<u>42,701</u>	<u>40,382</u>
NET ASSETS	<u>1,373,335</u>	<u>1,329,774</u>
CAPITAL AND RESERVES		
Share capital	1,830	1,830
Reserves	<u>1,277,791</u>	<u>1,252,550</u>
Equity attributable to owners of the Company	1,279,621	1,254,380
Non-controlling interests	<u>93,714</u>	<u>75,394</u>
TOTAL EQUITY	<u>1,373,335</u>	<u>1,329,774</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	<u>43,127</u>	<u>(17,117)</u>
INVESTING ACTIVITIES		
Interest received	4,666	3,127
Dividend received	585	585
Purchases of property and equipment	(3,330)	(1,721)
Placement of structured deposits	–	(150,402)
Settlement of structured deposits	–	181,911
Placement of time deposits	(442,285)	(78,654)
Withdrawal of time deposits	301,868	307,584
Settlement of consideration receivables from disposal of subsidiaries	989	1,298
Net cash inflow on acquisition of a subsidiary	20	–
Development costs paid	<u>(5,211)</u>	<u>(5,697)</u>
NET CASH (USED IN) FROM INVESTING ACTIVITIES	<u>(142,698)</u>	<u>258,031</u>
FINANCING ACTIVITIES		
Interest paid	(1,101)	(1,497)
Proceeds from exercise of share options	25	–
Repayment of lease liabilities	(18,539)	(15,403)
Payments on repurchase of shares	<u>(3,198)</u>	<u>–</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(22,813)</u>	<u>(16,900)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(122,384)</u>	<u>224,014</u>
CASH AND CASH EQUIVALENTS AT 1 JANUARY	795,349	677,908
Effect of foreign exchange rate changes	<u>13,937</u>	<u>(4,455)</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	<u>686,902</u>	<u>897,467</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

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 Group’s annual period beginning on 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment-Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

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.

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 2022

	Workforce Solutions <i>RMB'000</i> (unaudited)	Other HR Services <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Segment revenue	<u>2,218,416</u>	<u>9,913</u>	<u>2,228,329</u>
Segment profit	<u>290,784</u>	<u>6,530</u>	297,314
Unallocated:			
Selling expenses			(185,755)
Administrative expenses			(40,469)
Other income			5,354
Impairment losses under ECL model, net of reversal			(1,458)
Other gains and losses			6,754
Finance costs			(1,101)
Share of profit of associates			<u>2,233</u>
Profit before tax			<u>82,872</u>

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>

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	
	2022 <i>RMB'000</i> (unaudited)	2021 <i>RMB'000</i> (unaudited)
The PRC	1,437,771	1,153,556
Hong Kong and Macau	298,584	284,186
Taiwan	491,974	433,219
	<u>2,228,329</u>	<u>1,870,961</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 2022

	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	2,101,305	–	2,101,305
Recruitment solutions	117,111	–	117,111
Others	–	9,913	9,913
	<u>2,218,416</u>	<u>9,913</u>	<u>2,228,329</u>
Timing of revenue recognition			
A point in time	110,630	–	110,630
Over time	2,107,786	9,913	2,117,699
	<u>2,218,416</u>	<u>9,913</u>	<u>2,228,329</u>

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>

4. INCOME TAX EXPENSE

During the six months ended 30 June 2022, the Group had recognised current tax expense of approximately RMB15,785,000 (six months ended 30 June 2021: RMB15,900,000) and deferred tax expense of approximately RMB898,000 (six months ended 30 June 2021: RMB889,000).

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Directors' emoluments		
Fees	300	300
Salaries, allowances and other benefits	1,649	2,663
Retirement benefit scheme contributions	49	73
Performance related bonus	618	1,569
Equity-settled share based expense	797	155
	<u>3,413</u>	<u>4,760</u>
Depreciation of property and equipment	2,916	2,649
Depreciation of right-of-use assets	17,221	15,004
Expenses related to short-term leases	577	327
Amortisation of intangible assets	2,996	1,280
Research and development costs recognised as an expense	<u>-</u>	<u>25</u>

During the six months ended 30 June 2022, the Group recognised government grants by deducting from the related expenses in respect of COVID-19-related subsidies which mainly related to Employment Support Scheme provided by the Hong Kong government.

6. DIVIDENDS

During the current interim period, a final dividend in respect of the year ended 31 December 2021 of HK\$0.37 per ordinary share, in an aggregate amount of approximately HK\$76.8 million (equivalent to approximately RMB62.3 million), has been proposed by the directors of the Company and approved by the shareholders of the Company. The dividend was paid in July 2022.

During the six months ended 30 June 2021, 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) was declared and paid to the owners of the Company.

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK\$1.60 per ordinary share in respect of the six months ended 30 June 2022, in an aggregate amount of approximately HK\$332 million (equivalent to approximately RMB283.9 million), will be paid to owners of the Company whose names appear in the register of members of the Company as at the close of business on 20 September 2022.

No interim dividend was proposed or paid in respect of the six months ended 30 June 2021.

**9. AMOUNTS DUE FROM (TO) ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES/
A NON-CONTROLLING SHAREHOLDER**

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 2022 RMB'000 (unaudited)	At 31 December 2021 RMB'000 (audited)
0–30 days	289	253
31–60 days	167	220
61–90 days	72	22
Over 90 days	74	–
	<u>602</u>	<u>495</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 2022 RMB'000 (unaudited)	At 31 December 2021 RMB'000 (audited)	At 30 June 2022 RMB'000 (unaudited)	At 31 December 2021 RMB'000 (audited)
0–30 days	1,061	887	72	59
31–60 days	846	900	–	–
61–90 days	262	925	–	–
Over 90 days	–	292	407	406
	<u>2,169</u>	<u>3,004</u>	<u>479</u>	<u>465</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 2022 RMB'000 (unaudited)	At 31 December 2021 RMB'000 (audited)
0–30 days	17,272	17,409
31–60 days	24	–
61–90 days	–	47
Over 90 days	206	–
	<u>17,502</u>	<u>17,456</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, 30 August 2022

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.