

INTERIM REPORT 2023



ManpowerGroup®

万宝盛华大中华有限公司

MANPOWERGROUP GREATER CHINA LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock code: 2180

CONTENT

2	Corporate Profile
3	Corporate Information
5	Financial Highlights
6	Management Discussion and Analysis
17	Corporate Governance and Other Information
30	Report on Review of Condensed Consolidated Financial Statements
31	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
33	Condensed Consolidated Statement of Financial Position
35	Condensed Consolidated Statement of Changes in Equity
36	Condensed Consolidated Statement of Cash Flows
37	Notes to the Condensed Consolidated Financial Statements



Corporate Profile

ManpowerGroup Greater China Limited (“Manpower GRC” or the “Company” and together with its subsidiaries, the “Group”) provides comprehensive workforce solutions and other human resource (“HR”) services to clients located in each market in Greater China, 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”). The Group’s largest stakeholder, ManpowerGroup Inc. (“MAN”), is a New York Stock Exchange-listed world leader in workforce solutions and services, which first tapped into the Greater China Region in 1997, when it commenced operations in Hong Kong and Taiwan and subsequently entered Mainland China in 2003 and Macau in 2007. As at 30 June 2023, the Group served a broad range of corporate and government clients in over 270 cities in the Greater China markets, operating in 44 offices.

Inheriting MAN’s global reputation, the Group, with over two decades of dedicated work, developed deep connections with both multinational clients and local clients doing business in the Greater China Region and achieved prominent brand recognition. During the six months period ended 30 June 2023 (the “Period”), the Group had served around 280 Fortune 500 companies and prominent local public and private employers.

Over the years, the Group has sustained a good financial performance and generated reasonable returns for its shareholders. On 10 July 2019, Manpower GRC was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with the stock code 2180 (the “Listing”). Having strong support from MAN, Manpower GRC keeps on providing tailored solutions to its clients and expanding its business scale and market share and is well positioned to capture the robust growth potential in the HR services market.

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. CUI Zhihui

Non-executive Directors

Mr. Colin Patrick Alan JONES

(appointed with effect from 29 June 2023)

Mr. Darryl E GREEN

(resigned with effect from 29 June 2023)

Mr. John Thomas MCGINNIS *(Chairman)*

Mr. ZHANG Yinghao

Mr. ZHAI Feng

Independent Non-executive Directors

Mr. Thomas YEOH Eng Leong

Ms. WONG Man Lai Stevie

Mr. Victor HUANG

AUDIT COMMITTEE

Mr. Victor HUANG *(Chairman)*

Mr. Colin Patrick Alan JONES

(appointed with effect from 29 June 2023)

Mr. John Thomas MCGINNIS

(ceased with effect from 29 June 2023)

Mr. ZHAI Feng

Mr. Thomas YEOH Eng Leong

Ms. WONG Man Lai Stevie

REMUNERATION COMMITTEE

Mr. Thomas YEOH Eng Leong *(Chairman)*

Mr. John Thomas MCGINNIS

(appointed with effect from 29 June 2023)

Mr. Darryl E GREEN

(resigned with effect from 29 June 2023)

Mr. ZHANG Yinghao

Ms. WONG Man Lai Stevie

Mr. Victor HUANG

NOMINATION COMMITTEE

Ms. WONG Man Lai Stevie *(Chairman)*

Mr. John Thomas MCGINNIS

(appointed with effect from 29 June 2023)

Mr. Darryl E GREEN

(resigned with effect from 29 June 2023)

Mr. ZHANG Yinghao

Mr. Thomas YEOH Eng Leong

Mr. Victor HUANG

INVESTMENT COMMITTEE

Mr. John Thomas MCGINNIS *(Chairman)*

Mr. ZHANG Yinghao

Mr. CUI Zhihui

AUDITOR

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

35/F, One Pacific Place

88 Queensway

Hong Kong

LEGAL ADVISORS

CFN Lawyers in association with Broad & Bright

Maples and Calder (Hong Kong) LLP

JOINT COMPANY SECRETARIES

Ms. TSUI Sum Yi

Ms. GAO Xingyue

AUTHORISED REPRESENTATIVES

Mr. CUI Zhihui

Ms. TSUI Sum Yi

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STOCK CODE

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Financial Highlights

The below table sets out the key financial highlights of the Group during the six months ended 30 June 2023:

	Six months ended 30 June		Change in percentage %
	2023	2022	
Revenue (RMB'000)	2,528,998	2,228,329	13.5%
Profit attributable to owners of the Company (RMB'000)	55,596	54,591	1.8%
Adjusted profit attributable to owners of the Company (RMB'000)	61,705	59,484	3.7%
Revenue per full time employee (RMB'000)	1,985	1,627	22.0%
Days sales outstanding	51.8	53.9	(3.9%)

* Revenue of Mainland China flexible staffing increased by approximately 24% in the first half of 2023 compared with the same period last year

Management Discussion and Analysis

BUSINESS REVIEW

During the first half of 2023, the lifting of COVID-19 related restrictions did not bring a strong post-COVID economic recovery as expected. Instead, economic growth momentum across the region was weaker and more short-lived in both Mainland China and Hong Kong due to lukewarm demand. Taiwan as a small external economy was negatively impacted by cooling global demand and shift away of production. Despite macroeconomic uncertainty and continuous geopolitical conflicts, the Group continued to deliver solid growth momentum in its flexible staffing business in Mainland China. Hong Kong and Taiwan also realised flattish to low-single-digit growth, respectively, in challenging market conditions. In addition, the Group had taken a series of active cost management measures through its diverse portfolio of services, especially in its recruitment and solutions segment, to counter economic headwinds.

For the first half of 2023, the Group achieved a total revenue of RMB2,529.0 million, representing a growth of approximately 13.5% compared to the same period of 2022 despite a 28.2% year over year decrease of the recruitment and solutions segment due to weak economy and sluggish demand across different industries. Revenue generated from the flexible staffing business segment grew by approximately 15.8% on a year over year basis to RMB2,433.1 million, of which the flexible staffing revenue from Mainland China recorded an increase of approximately 24% compared with the same period last year. Business in Hong Kong decreased slightly by 0.6% during the Period due to ending of COVID-related government projects and weaker-than-expected demand recovery. Taiwan achieved revenue growth of 2.6% year over year despite being negatively impacted by weak economy and shift away of production. During the Period, net profit attributable to owners of the Company increased to RMB55.6 million, representing a slight growth of approximately 1.8% year over year. Adjusted net profit attributable to owners of the Company, after taking into account of stock option and restricted share units expenses, impairment losses recognised in respect of property and equipment and other intangible assets, increased to RMB61.7 million by approximately 3.7% on a year over year basis.

The Group continued to expand its service offerings in Mainland China during the first half of the year, particularly in the flexible staffing business with solid progress made in the IT outsourcing (ITO) business segment. In addition, the Group is proactively expanding its client base into the State-Owned-Enterprise (SOE) sector and financial services sector to increase its market share in Mainland China.

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 Period increased by 33.8% from approximately 30,500 as of 30 June 2022 to approximately 40,800 as of 30 June 2023, among which the total number of associates placed in Mainland China grew significantly by approximately 29.2%.

During the Period, the Group continued to expand into central, western, and eastern China, such as Chengdu and Hangzhou, and bolstered its strong market position in tier-one cities such as Shanghai, Beijing, Guangzhou and Hong Kong. By implementing active cost management measures and optimising operational efficiency, the Group achieved 22.0% growth in average revenue generated per employee on a year over year basis during the Period. Moreover, turnover days of trade receivables further decreased to 51.8 days for the Period from 53.9 days of the same period last year, thanks to the Group’s strong risk control capabilities.

In view of the industry trend of digitalisation, the Group continued to upgrade its internal technological platforms and infrastructure and optimise working procedures to achieve better cost effectiveness.

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 Best HR Service Provider” (「2022年度最佳人力資源服務機構」) by HRoot, “2022 Best HRTech Service Provider” (「2022年度人力資源最佳服務機構」) by HRTechChina, and “Leading Enterprise in the Big Data Field of the Software Industry in 2022” (「2022年軟件行業大數據領域軍企業」) by China Software Industry Association.

FUTURE OUTLOOK AND STRATEGIES

Remain Cautious for the Rest of the Year, More Optimistic in the Medium Term

Global economy in the second half this year will face no less challenges, if not more, than in the first half. As the lagged effects of monetary tightening kick in, the resilience seen in developed markets in the first half is unlikely to last for the rest of the year. In the meantime, China's economy continues to face challenges including contraction of internal and external demand, increasing pressure on the private economy, and continuous geopolitical disputes with the U.S.. With limited visibility of macroeconomic environment, the Group remains cautious about its business growth in the second half this year. With that said, however, outlook in the medium term is more optimistic on the back of a fast-growing flexible staffing industry, diversification of the portfolio of services, and robustness of its business model.

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 portfolio. The outlook of Taiwan market could be further negatively impacted by a potential recession in the U.S. and the geopolitical tension in the region. Hong Kong market might begin to show signs of recovery on the back of picking up of economic activities in the city, but still depends on overall demand recovery.

Flexible Staffing Remains Our Strategic Focus in 2023

The Group's strategic focus in the second half of 2023 will remain on flexible staffing in Mainland China with industry focus on several key fast-growing industries such as new energy, financial services, IT services, healthcare, and consumer & retail. The Group believes that it will continue to benefit from the industry growth momentum with a strong global brand and leading market position.

On the organic growth front, the Group will further expand into under-penetrated regions in southern and central 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 and accelerate building up its ITO business to increase market share in Mainland China.

The Group's strategic investment in associate companies across Mainland China has made steady progress in the last few 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.

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 merger and acquisition and cooperation strategy will remain on businesses and opportunities with the potential to broaden the Group's flexible staffing product offerings and create synergy between its different business lines.

Upgrade of Internal Technological Infrastructure

For the second half of 2023, the Group will continue to optimise its internal technology platform to enhance productivity and improve cross-selling between different business lines. In addition, 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 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 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		
	2023	2022	Change in %
Flexible staffing			
Number of associates placed during the period (approximately)	40,800	30,500	34%
Number of candidates in flexible talent database (in thousands)	2,300	1,900	21%
Recruitment solutions			
Number of placements during the period	1,096	2,865	(62%)
Number of candidates in recruitment services database (in thousands)	3,510	3,250	8%
Number of recruiters	277	312	(11%)
Overall			
Number of full time employees (approximately)	1,274	1,370	(7%)

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2023, the Group derived its revenue primarily from (i) workforce solution services, including flexible staffing, and recruitment solutions, including headhunting and RPO and (ii) other HR services, including HR consultancy services, training and development, career transition, payroll services as well as government solutions. The following table sets out a breakdown of the Group's revenue by business line for the periods indicated:

	Six months ended 30 June		Change in percentage %
	2023 (RMB'000)	2022 (RMB'000)	
Revenue			
Workforce solution services			
Flexible staffing	2,433,094	2,101,305	15.8%
Recruitment solutions	84,078	117,111	(28.2%)
Other HR services	11,826	9,913	19.3%
Total	2,528,998	2,228,329	13.5%

The revenue of the Group increased by approximately 13.5% from RMB2,228.3 million for the six months ended 30 June 2022 to RMB2,529.0 million for the six months ended 30 June 2023. This increase was mainly attributable to the following:

- (i) the increase in revenue generated from flexible staffing by approximately 15.8% from RMB2,101.3 million for the six months ended 30 June 2022 to RMB2,433.1 million for the six months ended 30 June 2023, primarily due to the increase in number of associates placed during the Period owing to the increasing business from key clients and business development from new clients in China; and
- (ii) the increase in revenue generated from other HR services by approximately 19.3% from RMB9.9 million for the six months ended 30 June 2022 to RMB11.8 million for the six months ended 30 June 2023, primarily due to the increase in revenue generated from HR consultancy service of Right Management.

Such increase was partially offset by the decrease in revenue generated from recruitment solutions by approximately 28.2% from RMB117.1 million for the six months ended 30 June 2022 to RMB84.1 million for the six months ended 30 June 2023, primarily due to the falling demand of hiring services and longer hiring cycles caused by clients' cautiousness in determining the offers to candidates and candidates' declining willingness to change jobs.

FINANCIAL REVIEW (Continued)

Revenue (Continued)

During the six months ended 30 June 2023, the Group operated in the Greater China Region, including the 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 %
	2023 (RMB'000)	2022 (RMB'000)	
Revenue			
The PRC	1,727,410	1,437,771	20.1%
Hong Kong and Macau	296,908	298,584	(0.6%)
Taiwan	504,680	491,974	2.6%
Total	2,528,998	2,228,329	13.5%

Cost of services

The Group's cost of services increased by approximately 16.1% from RMB1,931.0 million for the six months ended 30 June 2022 to RMB2,241.1 million for the six months ended 30 June 2023. 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 decreased by approximately 3.2% from RMB297.3 million for the six months ended 30 June 2022 to RMB287.9 million for the six months ended 30 June 2023, primarily due to the decrease in gross profit generated from recruitment solutions which exceeded the increase in gross profit generated from flexible staffing and other HR services.

The Group's gross profit margin decreased from approximately 13.3% for the six months ended 30 June 2022 to approximately 11.4% for the six months ended 30 June 2023, primarily due to the decrease in revenue generated from recruitment solutions which was a high margin business.

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

	Six months ended 30 June		Change (%)
	2023 (%)	2022 (%)	
Workforce solution services			
Flexible staffing	8.4	8.8	(0.4)
Recruitment solutions	91.4	90.2	1.2
Other HR services	64.2	65.9	(1.7)
Overall	11.4	13.3	(1.9)

FINANCIAL REVIEW (Continued)

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 decreased by approximately 4.5% from RMB185.8 million for the six months ended 30 June 2022 to RMB177.3 million for the six months ended 30 June 2023, primarily due to the decrease in overall expenses related to recruitment solutions.

The Group's administrative expenses increased by approximately 8.2% from RMB40.5 million for the six months ended 30 June 2022 to RMB43.8 million for the six months ended 30 June 2023, primarily due to: (i) the increase in expenses in relation to share options and restricted share units granted; (ii) investment in information technology; and (iii) investment in the staff training and development.

The Group's selling expenses accounted for approximately 8.3% and 7.0% of its total revenue for the six months ended 30 June 2022 and 2023, respectively, while the Group's administrative expenses accounted for approximately 1.8% and 1.7% of its total revenue for the six months ended 30 June 2022 and 2023, respectively. Both of the decreases were mainly due to the effective cost control implemented by the Group and improvement in operation efficiency.

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 increased by approximately 71.4% from RMB5.4 million for the six months ended 30 June 2022 to RMB9.2 million for the six months ended 30 June 2023, which was primarily attributable to the increase in interest income on bank deposits and government grants.

Other gains and losses

The Group's other gains and losses consist of net exchange gains and impairment losses recognised in respect of property and equipment and other intangible assets. The Group's other gains and losses decreased by approximately 67.0% from RMB6.8 million for the six months ended 30 June 2022 to RMB2.2 million for the six months ended 30 June 2023, which was primarily attributable to the decreases in the exchange gain arising from the appreciation of US dollars to TW dollars and the impairment losses recognised in respect of property and equipment and other intangible assets in an invested subsidiary, Shanghai Pingehuo Technology Co., Ltd.

Share of profit of associates

The Group's share of profit of associates amounted to RMB2.2 million for the six months ended 30 June 2022 and RMB1.4 million for the six months ended 30 June 2023.

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 RMB16.7 million for the six months ended 30 June 2022 and RMB14.7 million for the six months ended 30 June 2023, respectively.

The Group's effective income tax rate for the six months ended 30 June 2023 was approximately 18.7%, compared to approximately 20.1% for the six months ended 30 June 2022, primarily because a subsidiary of the Group in China has been accredited as a High and New Technology Enterprise which was eligible for a preferential corporate income tax rate of 15% for the six months ended 30 June 2023.

FINANCIAL REVIEW (Continued)

Profit for the period attributable to owners of the Company

As a result of the foregoing, the Group's profit for the period attributable to owners of the Company increased by approximately 1.8% from RMB54.6 million for the six months ended 30 June 2022 to RMB55.6 million for the six months ended 30 June 2023.

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 and impairment losses recognised in respect of property and equipment and other intangible assets increased by approximately 3.7% from RMB59.5 million for the six months ended 30 June 2022 to RMB61.7 million for the six months ended 30 June 2023.

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 impact of expenses in relation to stock options and restricted share units and the impairment losses recognised in respect of property and equipment and other intangible assets, 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 Period and the adjusted profit for the Period:

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Profit for the period attributable to owners of the Company	55,596	54,591
Adjustment for:		
Expenses in relation to stock options and restricted share units granted	5,199	4,893
Impairment losses recognised in respect of property and equipment and other intangible assets	910	–
Adjusted profit for the period attributable to owners of the Company	61,705	59,484

The definitions of adjusted profit should not be considered in isolation or be construed as an alternative to profit for the period 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 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 2023, the Group's net current assets amounted to RMB923.9 million (31 December 2022: RMB926.7 million). Specifically, the Group's total current assets increased from RMB1,650.5 million as at 31 December 2022 to RMB1,661.0 million as at 30 June 2023. The Group's total current liabilities increased from RMB723.8 million as at 31 December 2022 to RMB737.1 million as at 30 June 2023. The decrease in net current assets was primarily due to the decrease in bank balances and cash.

Cash position

As at 30 June 2023, the Group had bank balances and cash, together with its restricted bank deposits, time deposits with original maturity over three months of RMB880.3 million (31 December 2022: RMB937.8 million). The decrease in bank balances and cash was primarily due to the cash outflow from business operations resulting from the business expansion of flexible staffing.

Indebtedness

As at 30 June 2023, the Group had lease liabilities of RMB47.3 million (31 December 2022: RMB55.9 million). The Group had no bank loans or convertible loans during the Period and as at 30 June 2023 (31 December 2022: Nil). As a result, the Group's gearing ratio (calculated as total bank and other borrowings divided by total equity) as at 30 June 2023 was not calculated (31 December 2022: Nil).

Pledge of assets

As disclosed under the section headed "Contingent Liabilities", as at 30 June 2023, the Group had pledged its time deposit in an amount of RMB59.5 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.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES (Continued)

Financial risks (Continued)

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, amounts due from related companies and non-controlling shareholders 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 of the Company (each, a "Director") 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 2023, the current ratio (calculated as total current assets divided by the total current liabilities) of the Group was 2.3 times (31 December 2022: 2.3 times).

CONTINGENT LIABILITIES

As at 30 June 2023, the Group had outstanding surety bonds of RMB59.5 million (31 December 2022: RMB9.7 million), for which restricted bank deposits were pledged as required by certain clients of the Group.

COMMITMENTS

As at 30 June 2023, the Group did not have any significant capital and other commitments, long-term obligations or guarantee (31 December 2022: Nil).

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 30 June 2023, 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 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group has no concrete plan for future investments or acquisition of capital assets in place as at the date of this interim report.

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 report, 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. The board of Directors (the “Board”) is of the view that there remains a significant degree of uncertainty over the economy, business environment and outlook of the Greater China. 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. According to the announcement of the Company on 29 March 2023, the Board has resolved to further postpone the timeline of the unutilised net proceeds from 31 December 2022 to 31 December 2023. 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 2023:

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 2023 RMB'000	Proceeds utilised during the six months ended 30 June 2023 RMB'000	Actual use of net proceeds up to 30 June 2023 RMB'000	Unutilised net proceeds as at 30 June 2023 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)	-	-	137,451	-	
Research and development	Invest in a digital workforce platform	12 to 24 months from the Listing Date	137,451 (30% of total net proceeds)	89,496	3,433	51,388	86,063	On or before 31 December 2023
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)	80,277	600	34,850	79,677	On or before 31 December 2023
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)	7,287	2,587	18,224	4,700	On or before 31 December 2023
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)	177,060	6,620	287,760	170,440	

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.

As at the date of this report, there has not been any material change to the plan as to the categories of use of the net proceeds and the expected timeline for unutilised net proceeds will not have any material adverse impact on the operations of the Group.

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 2023, the Group employed approximately 1,274 own employees and approximately 40,800 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, please see the paragraph headed "Restricted Share Units Scheme" below.

EVENTS AFTER THE REPORTING PERIOD

There were no material events undertaken by the Group subsequent to 30 June 2023 up to the date of this report.

Corporate Governance and Other Information

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 (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 2023, except for the deviation from code provision F.2.2 as detailed below.

Pursuant to code provision F.2.2 of the Corporate Governance Code, the chairman of the Board (the “Chairman”) should attend the annual general meeting (the “AGM”). However, Mr. Darryl E GREEN, who acted as the Chairman until the conclusion of the AGM, was unable to attend the AGM held on 29 June 2023 due to his other prior engagement. Mr. GREEN invited Mr. CUI Zhihui, an executive Director to chair and answer questions from Shareholders at the AGM.

COMPLIANCE WITH THE 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 since the Listing.

Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the six months ended 30 June 2023.

SHARE OPTION SCHEME

The Company approved and adopted a share option scheme on 5 June 2019 (the “Share Option Scheme”). The Share Option Scheme is subject to the requirements under Chapter 17 of the Listing Rules.

Details of the Share Option Scheme

(1) Purpose

The purpose of the Share Option Scheme is to motivate the participants to optimise their performance efficiency for the benefit of the Group and to attract and 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.

(2) Participants

Any individual, being a full-time or part-time employee, executive, officer, or director (including non-executive director and independent non-executive director) of the Group who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group is entitled to be offered and granted options.

(3) The maximum number of Shares available for issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 20,000,000 Shares. The number of the options available for grant under the Share Option Scheme was 13,202,000 Shares (representing approximately 6.4% of the Company’s issued shares as at the date of this report).

SHARE OPTION SCHEME (Continued)

Details of the Share Option Scheme (Continued)

(4) The maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

(5) Time of acceptance and exercise of option

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

(6) Vesting period of options granted under the Share Option Scheme

Subject to the terms of the Share Option Scheme and the Listing Rules, the Board has the sole discretion to determine the vesting schedule and vesting conditions (including, without limitation, conditions as to performance criteria to be satisfied by the participant and/or the Group) for any grant of option to any participant, which shall be stated in the grant letter.

(7) Amount payable on application or acceptance of the option

The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$/RMB/MOP/NTD1.

(8) Subscription price for Shares

The subscription price per Share under the Share Option Scheme will be a price determined by the Board in its absolute discretion, but must be at least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of the option, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer of the option; and
- (iii) the nominal value of a Share.

(9) The duration of the Share Option Scheme

The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years from the date of its adoption. The remaining life of the Share Option Scheme is approximately six years and nine months as at the date of this report.

For further details of the Share Option Scheme, please refer to the section headed "Statutory and General Information – D. Other information – 1. Share Option Scheme" in Appendix IV to the Prospectus.

SHARE OPTION SCHEME (Continued)**Details of the share option granted**

The following table sets forth the particulars of the movements of share options granted under the Share Option Scheme during the six months ended 30 June 2023:

Grantees	Date of grant	Exercise price per Share (HK\$)	Exercise period	Outstanding as at 1 January 2023	Changes during the six months ended 30 June 2023			Outstanding as at 30 June 2023
					Granted	Exercised	Lapsed/ Forfeited	
Mr. CUI Zhihui (Executive Director)	20 Sep 2019 (Note b)	10.94	20 Sep 2022 – 20 Sep 2025	150,000	–	–	–	150,000
	8 April 2020 (Note c)	8.76	8 April 2022 – 8 April 2025	131,250	–	–	(18,750)	112,500
	8 April 2020 (Note c)	8.76	8 April 2023 – 8 April 2026	150,000	–	–	(37,500)	112,500
	9 April 2021 (Note d)	10.00	9 April 2022 – 9 April 2025	175,000	–	–	(25,000)	150,000
	9 April 2021 (Note d)	10.00	9 April 2023 – 9 April 2026	200,000	–	–	(50,000)	150,000
	31 March 2022 (Note e)	8.61	31 March 2023 – 31 March 2026	200,000	–	–	(50,000)	150,000
	31 March 2022 (Note e)	8.61	31 March 2024 – 31 March 2027	200,000	–	–	–	200,000
	Other Employees	20 Sep 2019 (Note b)	10.94	20 Sep 2022 – 20 Sep 2025	1,474,500	–	–	(132,000)
8 April 2020 (Note c)		8.76	8 April 2022 – 8 April 2025	782,750	–	–	(59,375)	723,375
8 April 2020 (Note c)		8.76	8 April 2023 – 8 April 2026	1,073,000	–	–	(348,125)	724,875
9 April 2021 (Note d)		10.00	9 April 2022 – 9 April 2025	1,036,625	–	–	(110,750)	925,875
9 April 2021 (Note d)		10.00	9 April 2023 – 9 April 2026	1,415,500	–	–	(489,625)	925,875
31 March 2022 (Note e)		8.61	31 March 2023 – 31 March 2026	1,632,500	–	–	(562,625)	1,069,875
31 March 2022 (Note e)		8.61	31 March 2024 – 31 March 2027	1,632,500	–	–	(206,000)	1,426,500
Total					10,253,625	–	–	(2,089,750)

SHARE OPTION SCHEME (Continued)

Details of the share option granted (Continued)

Notes:

- a. The closing price of the Shares immediately before the date on which the options were granted on 20 September 2019, 8 April 2020, 9 April 2021 and 31 March 2022 was HK\$10.68 per Share, HK\$8.8 per Share, HK\$10.0 per Share and HK\$8.36 per Share respectively.
- b. The options shall be vested on 20 September 2022 conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit.
- c. The 50% of options shall be vested on 7 April 2022 and another 50% of options shall be vested on 7 April 2023 conditional upon fulfilment of the revised performance targets resolved by the Board on 9 April 2021.
- d. The options shall be vested in two tranches. The 50% of the options (the "Tranche 1 options") shall be vested on 8 April 2022 and another 50% of the options (the "Tranche 2 options") shall be vested on 8 April 2023. The 25% of Tranche 1 options and Tranche 2 options shall be vested with no performance targets and 75% of Tranche 1 options and Tranche 2 options shall be vested conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit.
- e. The options shall be vested in two tranches. The 50% of the options (the "Tranche 1 options") shall be vested on 30 March 2023 and another 50% of the options (the "Tranche 2 options") shall be vested on 30 March 2024. The 25% of Tranche 1 options and Tranche 2 options shall be vested with no performance targets and 75% of Tranche 1 options and Tranche 2 options shall be vested conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit.
- f. The estimated fair values of the options granted on 20 September 2019, 8 April 2020, 9 April 2021 and 31 March 2022 are approximately RMB3,222,000, RMB4,618,000, RMB5,128,000 and RMB4,760,000 respectively.
- g. For the model used in determining the value of the options, please refer to note 18 to the Condensed Consolidated Financial Statements on page 54 of this report.
- h. The weighted average closing price immediately before the exercise date is not applicable because no option was exercised during the Period.
- i. There are no participants with options granted in excess of the individual limit and no grants to suppliers of goods and services.
- j. In respect of the Share Option Scheme, the number of share options available for grant under the Share Option Scheme was 9,746,375 Shares as at 1 January 2023 and 11,836,125 Shares as at 30 June 2023.
- k. The number of Shares that may be issued in respect of options granted under the Share Option Scheme during the six months ended 30 June 2023 divided by the weighted average number of the Shares in issue for the six months ended 30 June 2023 is 3.9%.
- l. No share options were cancelled during the six months ended 30 June 2023.

Save as disclosed above, no share options were granted or agreed to be granted under the Share Option Scheme during the six months ended 30 June 2023.

RESTRICTED SHARE UNITS SCHEME

Details of the Restricted Share Unites Scheme

The Company has adopted the RSU Scheme on 10 June 2021 (the “Adoption Date”) with the major terms and details set out below:

(1) Purpose

The purpose of the RSU Scheme is to recognise and reward the 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.

(2) Eligibility

Participants of the RSU Scheme include any full-time or part-time employee, director (including any executive or non-executive director) and officer of any member of the Group but excluding any excluded participant.

(3) Term

Subject to any early termination as may be determined by the Board pursuant to the terms of the RSU Scheme, the RSU Scheme shall be valid and effective for ten (10) years commencing on the Adoption Date. The remaining life of the RSU Scheme is approximately seven years and nine months.

(4) Appointment of the Trustee

The Company has entered into the trust deed dated 10 June 2021 (the “Trust Deed”) to appoint Unity Trust Limited as the trustee (the “Trustee”) to assist with the administration of the RSU Scheme and the vesting of awards to be granted pursuant to the RSU Scheme. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Trustee is an independent third party.

Subject to compliance with the terms of the RSU Scheme, the Listing Rules, the memorandum and articles of association of the Company and other applicable laws, rules and regulations, the Company may at any time at its sole and absolute discretion (i) instruct the Trustee to purchase existing Shares (either on-market or off-market); and/or (ii) allot and issue new Shares to the Trustee for the purpose of satisfying the restricted share unit(s) (“RSU(s)”) that are vested under the RSU Scheme. The Trustee shall hold any Shares so allotted, issued or purchased until such Shares are transferred to the grantees or to the nominee account in accordance with the terms of the RSU Scheme and the Trust Deed.

The Company shall procure that sufficient funds are provided to the Trustee to enable the Trustee to satisfy its obligation in connection with the administration of the RSU Scheme.

(5) Grant and acceptance

On and subject to the terms of the RSU Scheme and the Listing Rules, the Board may at any time during the term of the RSU Scheme make an offer of the grant of award to any participant of such number of RSUs as the Board may in its absolute discretion determine. The Board will notify any selected participant and specify in the grant letter (i) the name of the selected participant; (ii) the manner of acceptance of the award; (iii) the number of RSUs granted and the number of underlying Shares represented by such RSUs; (iv) the vesting schedule and vesting conditions (if any); and (v) such other terms and conditions of the grant as the Board shall determine.

A selected participant may accept an offer of grant of RSUs in such manner and within such period as set out in the grant letter. Upon acceptance of an offer, the selected participant would become a grantee under the RSU Scheme.

RESTRICTED SHARE UNITS SCHEME (Continued)

Details of the Restricted Share Unites Scheme (Continued)

(6) Vesting

Subject to the terms of the RSU Scheme, the Board has the sole discretion to determine the vesting schedule and vesting conditions (including, without limitation, conditions as to performance criteria to be satisfied by the participant and/or the Group) for any grant of award to any participant, which shall be stated in the grant letter.

Within a reasonable time after the vesting conditions (if any) and schedule have been fulfilled or waived, the Board shall send a vesting notice to the relevant grantee setting out, inter alia, (a) the extent to which the vesting conditions (if any) and schedule have been fulfilled or waived; (b) the number of Shares (and, if so clearly specified in the grant letter by the Board in its entire discretion, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) the grantee will receive; (c) any trust arrangement of the Shares to be obtained by the grantee (if applicable); and (d) the lock-up arrangement or other restrictions for such Shares (if applicable).

Subject to the terms of the RSU Scheme and the grant letter, the RSUs which have vested shall be satisfied, within a reasonable period from the vesting date of such RSUs, by the Board directing and procuring the Trustee to transfer the Shares underlying the award (and, if so clearly specified in the grant letter by the Board in its entire discretion, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the grantee or to the nominee account.

(7) Maximum number of underlying Shares

No RSU shall be granted pursuant to the RSU Scheme if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made pursuant to the RSU Scheme (excluding RSUs that have lapsed or been cancelled in accordance with the terms of the RSU Scheme) will exceed 2.5% of the number of Shares in issue from time to time. The number of the RSUs available for grant under the RSU Scheme was 793,520 RSUs (representing approximately 0.38% of the Company's issued shares as at the date of this report).

(8) Amount payable on acceptance of the RSU

Grantees are not required to make any payment in respect of the RSUs granted.

(9) Rights attached to Awards

Neither the grantee nor the Trustee shall enjoy any right of a Shareholder by virtue of a grant of RSUs pursuant to the RSU Scheme, unless and until such Shares underlying the RSUs are actually issued or transferred to the grantee or the nominee account operated by the Trustee on behalf of the grantees (as the case may be) upon the vesting of the RSUs. The Board shall have the sole and absolute discretion to determine whether or not a grantee shall have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the RSUs.

For further details of the RSU Scheme, please refer to the announcements of the Company dated 10 June 2021 and 16 June 2021.

RESTRICTED SHARE UNITS SCHEME (Continued)**Details of the Restricted Share Units granted during the Period**

On 30 March 2023, the Board approved the grant of an aggregate of 2,492,000 RSUs (the “2023 RSU Awards”) (representing 2,492,000 underlying Shares and amounting to approximately 1.20% of the issued share capital of the Company) to selected participants (the “2023 Grantees”) in accordance with the terms of the RSU Scheme as at the date of this report. The 2023 Grantees are not required to make any payment in respect of the 2023 RSU Awards.

Among the 2023 RSU Awards, (i) 560,000 RSUs (representing 560,000 underlying Shares) were granted to Mr. CUI Zhihui, the executive Director; and (ii) 36,000 RSUs (representing 36,000 underlying Shares) were granted to each of Mr. Darryl E GREEN (non-executive Director resigned on 29 June 2023), Mr. John Thomas MCGINNIS, Mr. ZHANG Yinghao and Mr. ZHAI Feng, non-executive Directors; (iii) 36,000 RSUs (representing 36,000 underlying Shares) were granted to each of Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG, independent non-executive Directors and (iv) an aggregate of 900,000 RSUs (representing 900,000 underlying Shares) were granted to eight selected participants, each of whom is a director of the subsidiaries of the Company.

The 2023 RSU Awards will be satisfied, upon the satisfaction or waiver (as the case may be) of all the relevant vesting conditions, by existing Shares to be acquired by the Trustee through on-market purchases. The Trustee did not purchase any Shares during the Period.

The following table sets forth the particulars of the movements of RSUs granted under the RSU Scheme during the six months ended 30 June 2023:

Name of grantees of RSUs	Date of Grant	Date of Vesting	Number of RSUs			Number of RSUs outstanding as of 30 June 2023
			outstanding as of 1 January 2023	Granted during the Period	Forfeited during the Period	
Mr. CUI Zhihui (Executive Director)	10 June 2021 (Note b)	10 June 2024	130,000	–	–	130,000
	31 March 2022 (Note d)	31 March 2025	200,000	–	–	200,000
	30 March 2023 (Note e)	30 March 2024	–	140,000	–	140,000
	30 March 2023 (Note f)	30 March 2025	–	140,000	–	140,000
	30 March 2023 (Note g)	30 March 2026	–	280,000	–	280,000
Mr. Darryl E GREEN (Non-executive Director (resigned on 29 June 2023))	9 September 2021 (Note c)	9 September 2024	13,015	–	(13,015)	0
	31 March 2022 (Note d)	31 March 2025	13,000	–	(13,000)	0
	30 March 2023 (Note e)	30 March 2024	–	9,000	(9,000)	0
	30 March 2023 (Note f)	30 March 2025	–	9,000	(9,000)	0
	30 March 2023 (Note g)	30 March 2026	–	18,000	(18,000)	0
Mr. John Thomas MCGINNIS (Non-executive Director)	9 September 2021 (Note c)	9 September 2024	13,015	–	–	13,015
	31 March 2022 (Note d)	31 March 2025	13,000	–	–	13,000
	30 March 2023 (Note e)	30 March 2024	–	9,000	–	9,000
	30 March 2023 (Note f)	30 March 2025	–	9,000	–	9,000
	30 March 2023 (Note g)	30 March 2026	–	18,000	–	18,000
Mr. ZHANG Yinghao (Non-executive Director)	9 September 2021 (Note c)	9 September 2024	13,015	–	–	13,015
	31 March 2022 (Note d)	31 March 2025	13,000	–	–	13,000
	30 March 2023 (Note e)	30 March 2024	–	9,000	–	9,000
	30 March 2023 (Note f)	30 March 2025	–	9,000	–	9,000
	30 March 2023 (Note g)	30 March 2026	–	18,000	–	18,000

RESTRICTED SHARE UNITS SCHEME (Continued)**Details of the Restricted Share Units granted during the Period (Continued)**

Name of grantees of RSUs	Date of Grant	Date of Vesting	Number of RSUs			Number of RSUs outstanding as of 30 June 2023
			outstanding as of 1 January 2023	Granted during the Period	Forfeited during the Period	
Mr. ZHAI Feng (Non-executive Director)	9 September 2021 (Note c)	9 September 2024	13,015	–	–	13,015
	31 March 2022 (Note d)	31 March 2025	13,000	–	–	13,000
	30 March 2023 (Note e)	30 March 2024	–	9,000	–	9,000
	30 March 2023 (Note f)	30 March 2025	–	9,000	–	9,000
	30 March 2023 (Note g)	30 March 2026	–	18,000	–	18,000
Mr. Thomas YEOH Eng Leong (Independent non-executive Director)	9 September 2021 (Note c)	9 September 2024	13,015	–	–	13,015
	31 March 2022 (Note d)	31 March 2025	13,000	–	–	13,000
	30 March 2023 (Note e)	30 March 2024	–	9,000	–	9,000
	30 March 2023 (Note f)	30 March 2025	–	9,000	–	9,000
	30 March 2023 (Note g)	30 March 2026	–	18,000	–	18,000
Ms. WONG Man Lai Stevie (Independent non-executive Director)	9 September 2021 (Note c)	9 September 2024	13,015	–	–	13,015
	31 March 2022 (Note d)	31 March 2025	13,000	–	–	13,000
	30 March 2023 (Note e)	30 March 2024	–	9,000	–	9,000
	30 March 2023 (Note f)	30 March 2025	–	9,000	–	9,000
	30 March 2023 (Note g)	30 March 2026	–	18,000	–	18,000
Mr. Victor HUANG (Independent non-executive Director)	9 September 2021 (Note c)	9 September 2024	13,015	–	–	13,015
	31 March 2022 (Note d)	31 March 2025	13,000	–	–	13,000
	30 March 2023 (Note e)	30 March 2024	–	9,000	–	9,000
	30 March 2023 (Note f)	30 March 2025	–	9,000	–	9,000
	30 March 2023 (Note g)	30 March 2026	–	18,000	–	18,000
Employees	10 June 2021 (Note b)	10 June 2024	521,000	–	(115,000)	406,000
	31 March 2022 (Note d)	31 March 2025	701,000	–	(150,000)	551,000
	30 March 2023 (Note e)	30 March 2024	–	420,000	(15,000)	405,000
	30 March 2023 (Note f)	30 March 2025	–	420,000	(15,000)	405,000
	30 March 2023 (Note g)	30 March 2026	–	840,000	(30,000)	810,000
			1,734,105	2,492,000	(387,015)	3,839,090

RESTRICTED SHARE UNITS SCHEME (Continued)

Details of the Restricted Share Units granted during the Period (Continued)

Notes:

- a. The closing price of the Shares immediately before the date the RSUs were granted on 10 June 2021, 9 September 2021, 31 March 2022 and 30 March 2023 was HK\$9.25 per Share, HK\$9.21 per Share, HK\$8.36 per Share and HK\$6.83 per Share respectively.
- b. The RSUs shall be vested on 10 June 2024 conditional upon fulfilment of the vesting conditions resolved by the Board on 10 June 2021.
- c. The RSUs shall be vested on 9 September 2024, subject to the relevant grantee remaining as a director of the Company or its subsidiaries as at the vesting date.
- d. The RSUs shall be vested on 31 March 2025, subject to the relevant grantee remaining as a director or employee of the Company or its subsidiaries as at the vesting date.
- e. The RSUs shall be vested on 30 March 2024 conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit or individual performance level.
- f. The RSUs shall be vested on 30 March 2025 conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit or individual performance level.
- g. The RSUs shall be vested on 30 March 2026, subject to the relevant grantee remaining as a director or employee of the Company or its subsidiaries as at the vesting date.
- h. The estimated fair values of the RSUs granted on 10 June 2021, 9 September 2021, 31 March 2022 and 30 March 2023 are approximately HK\$7.22 million, HK\$0.83 million, HK\$8.88 million and HK\$17.0 million respectively. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date.
- i. The weighted average closing price immediately before the vesting date is not applicable because no RSUs shall be vested during the Period.
- j. In respect of the RSU Scheme, the number of RSUs available for grant under the RSU Scheme was 3,285,520 RSUs as at 1 January 2023 and 793,520 RSUs as at 30 June 2023.
- k. The number of Shares that may be issued in respect of RSUs granted under the RSU Scheme during the six months ended 30 June 2023 divided by the weighted average number of the Shares in issue for six months ended 30 June 2023 is nil as the award Shares are satisfied by on-market purchase of existing Shares.
- l. No RSUs were vested, cancelled or lapsed during the six months ended 30 June 2023.

Save as disclosed above, no RSUs were granted or agreed to be granted under the RSU Scheme during the Period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2023, the interests or short positions of the Directors and chief executive of the Company and their associates in the Shares, underlying Shares and debentures of the Company or its associated corporations, recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") or required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Nature of interest	Number of Shares or underlying Shares ⁽¹⁾	Approximate percentage of shareholding
Mr. CUI Zhihui	Beneficial owner ⁽²⁾	2,190,000 (L)	1.06%
Mr. John Thomas MCGINNIS	Beneficial owner ⁽³⁾	62,015 (L)	0.03%
Mr. ZHANG Yinghao	Beneficial owner ⁽⁴⁾	62,015 (L)	0.03%
Mr. ZHAI Feng	Beneficial owner ⁽⁵⁾	62,015 (L)	0.03%
Mr. Thomas YEOH Eng Leong	Beneficial owner ⁽⁶⁾	62,015 (L)	0.03%
Ms. WONG Man Lai Stevie	Beneficial owner ⁽⁷⁾	62,015 (L)	0.03%
Mr. Victor HUANG	Beneficial owner ⁽⁸⁾	62,015 (L)	0.03%

Notes:

- (1) As at 30 June 2023, the Company issued 207,505,000 Shares. The letter (L) denotes the entity's long position in the relevant Shares.
- (2) Represents Mr. CUI Zhihui's entitlement to receive up to 2,190,000 Shares pursuant to the exercise of options and the vesting of the awards granted to him under the Share Option Scheme and RSU Scheme, subject to the vesting schedule and conditions of those options and awards.
- (3) Represents Mr. John Thomas MCGINNIS's entitlement to receive up to 62,015 Shares pursuant to the vesting of the awards granted to him under the RSU Scheme, subject to the vesting schedule and conditions of those awards.
- (4) Represents Mr. ZHANG Yinghao's entitlement to receive up to 62,015 Shares pursuant to the vesting of the awards granted to him under the RSU Scheme, subject to the vesting schedule and conditions of those awards.
- (5) Represents Mr. ZHAI Feng's entitlement to receive up to 62,015 Shares pursuant to the vesting of the awards granted to him under the RSU Scheme, subject to the vesting schedule and conditions of those awards.
- (6) Represents Mr. Thomas YEOH Eng Leong's entitlement to receive up to 62,015 Shares pursuant to the vesting of the awards granted to him under the RSU Scheme, subject to the vesting schedule and conditions of those awards.
- (7) Represents Ms. WONG Man Lai Stevie's entitlement to receive up to 62,015 Shares pursuant to the vesting of the awards granted to her under the RSU Scheme, subject to the vesting schedule and conditions of those awards.
- (8) Represents Mr. Victor HUANG's entitlement to receive up to 62,015 Shares pursuant to the vesting of the awards granted to him under the RSU Scheme, subject to the vesting schedule and conditions of those awards.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2023, so far as is known to the Company, as recorded in the register required to be kept by the Company under section 336 of SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares:

Name of Shareholder	Nature of Interest	Number of Shares or underlying Shares ^(Note 1)	Approximate percentage of shareholding ^(Note 1)
Manpower Holdings, Inc.	Beneficial owner	41,539,168 (L)	20.02%
Manpower Nominees Inc.	Beneficial owner	34,960,220 (L)	16.85%
ManpowerGroup Inc. ^(Note 2)	Interest in controlled corporations	76,499,388 (L)	36.87%
CM Phoenix Tree Limited	Beneficial owner	64,015,263 (L)	30.85%
CM Phoenix Tree II Limited ^(Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
CPEChina Fund II, L.P. ^(Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
Citron PE Associates II, L.P. ^(Note 3) (formerly known as CITIC PE Associates II, L.P.)	Interest in controlled corporation	64,015,263 (L)	30.85%
Citron PE Funds II Limited ^(Note 3) (formerly known as CITIC PE Funds II Limited)	Interest in controlled corporation	64,015,263 (L)	30.85%
Citron PE Holdings Limited ^(Note 3) (formerly known as CITICPE Holdings Limited)	Interest in controlled corporation	64,015,263 (L)	30.85%
CLSA Global Investments Management Limited ^(Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
CITIC Securities International Company Limited ^(Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
CITIC Securities Company Limited ^(Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
FIL Limited ^(Note 4)	Interest in controlled corporation	20,750,500 (L)	10.00%

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Name of Shareholder	Nature of Interest	Number of Shares or underlying Shares ^(Note 1)	Approximate percentage of shareholding ^(Note 1)
Pandanus Associates Inc. ^(Note 4)	Interest in controlled corporation	20,750,500 (L)	10.00%
Pandanus Partners L.P. ^(Note 4)	Interest in controlled corporation	20,750,500 (L)	10.00%
Fidelity China Special Situations Plc	Beneficial owner	10,581,000 (L)	5.10%

Notes:

- As at 30 June 2023, the Company issued 207,505,000 Shares. The letter (L) denotes the entity's long position in the relevant Shares.
- Manpower Holdings, Inc. and Manpower Nominees Inc. are wholly owned by ManpowerGroup Inc. and therefore ManpowerGroup Inc. is deemed to be interested in the Shares held by Manpower Holdings, Inc. and Manpower Nominees Inc.
- CM Phoenix Tree Limited is wholly owned by CM Phoenix Tree II Limited, which is owned as to 86.33% by CPEChina Fund II, L.P. and 13.67% by CPEChina Fund IIA, L.P. respectively. The general partner of CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P. is Citron PE Associates II, L.P. (formerly known as CITIC PE Associates II, L.P.). Citron PE Associates II, L.P. is an exempted limited partnership registered under the laws of the Cayman Islands whose general partner is Citron PE Funds II Limited (formerly known as CITIC PE Funds II Limited). Citron PE Funds II Limited is wholly owned by Citron PE Holdings Limited (formerly known as CITICPE Holdings Limited), which is held as to 35% by CLSA Global Investments Management Limited. CLSA Global Investments Management Limited is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities Company Limited (a company listed on the Stock Exchange (Stock Code: 6030) and the Shanghai Stock Exchange (Stock Code: 600030)). Therefore, each of CM Phoenix II Limited, CPEChina Fund II, L.P., Citron PE Associates II, L.P., Citron PE Funds II Limited, Citron PE Holdings Limited, CLSA Global Investments Management Limited, CITIC Securities International Company Limited and CITIC Securities Company Limited is deemed to be interested in the Shares held by CM Phoenix Tree Limited.
- As the Company is aware, FIL Limited was deemed to be interested in 20,750,500 Shares held by its controlled entities/corporations. Pandanus Partners L.P. owned 37.01% of the equity interest in FIL Limited. Pandanus Partners L.P. is wholly owned by Pandanus Associates Inc. Accordingly, Pandanus Partners L.P. and Pandanus Associates Inc. were also deemed to be interested in the aforesaid 20,750,500 Shares.
- Pursuant to Section 336 of the SFO, if certain conditions are met, the Shareholders are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Stock Exchange.

Save as disclosed above, as at 30 June 2023, the Company had not been notified of any persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares that were recorded in the register required to be kept under section 336 of the SFO.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: HK\$1.60 per Share amounting to a total of HK\$332 million).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE

The Company has established an audit committee (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. Colin Patrick Alan JONES 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 report and the interim results for the six months ended 30 June 2023. The condensed consolidated financial statements for the six months ended 30 June 2023 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.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors are set out below:

- Mr. John Thomas MCGINNIS, a non-executive Director, has been appointed as the Chairman, members of the Remuneration Committee and the Nomination Committee and cease to be a member of the Audit Committee with effect from the conclusion of the Company’s annual general meeting held on 29 June 2023 (the “2023 AGM”).
- Mr. Darryl E GREEN resigned as a non-executive Director and ceased to be the Chairman and the members of the Remuneration Committee and the Nomination Committee with effect from the conclusion of the 2023 AGM.
- Mr. Colin Patrick Alan JONES has been appointed as a non-executive Director and a member of the Audit Committee with effect from the conclusion of the 2023 AGM.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

On behalf of the Board

ManpowerGroup Greater China Limited
CUI Zhihui

Executive Director and Chief Executive Officer

Hong Kong, 24 August 2023

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF MANPOWERGROUP GREATER CHINA LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of ManpowerGroup Greater China Limited (the “Company”) and its subsidiaries set out on pages 31 to 58, which comprise the condensed consolidated statement of financial position as of 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation on these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

24 August 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	NOTES	Six months ended 30 June	
		2023	2022
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	2,528,998	2,228,329
Cost of services		(2,241,111)	(1,931,015)
Gross profit		287,887	297,314
Selling expenses		(177,347)	(185,755)
Administrative expenses		(43,774)	(40,469)
Other income	4	9,178	5,354
Impairment losses under expected credit loss ("ECL") model, net of reversal	13	(254)	(1,458)
Other gains and losses	5	2,231	6,754
Finance costs	6	(1,091)	(1,101)
Share of profit of associates		1,416	2,233
Profit before tax		78,246	82,872
Income tax expense	7	(14,654)	(16,683)
Profit for the period	8	63,592	66,189
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
Actuarial gains from remeasurement of defined benefit obligations, net of tax		28	128
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		18,493	30,642
Other comprehensive income for the period, net of tax		18,521	30,770
Total comprehensive income for the period		82,113	96,959

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	NOTE	Six months ended 30 June	
		2023	2022
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Profit for the period attributable to:			
Owners of the Company		55,596	54,591
Non-controlling interests		7,996	11,598
		63,592	66,189
Total comprehensive income for the period attributable to:			
Owners of the Company		70,291	85,772
Non-controlling interests		11,822	11,187
		82,113	96,959
Earnings per share	10		
Basic (RMB)		0.27	0.26
Diluted (RMB)		0.27	0.26

Condensed Consolidated Statement of Financial Position

At 30 June 2023

		At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
	<i>NOTES</i>		
NON-CURRENT ASSETS			
Property and equipment	11	12,473	15,012
Right-of-use assets	11	48,432	55,848
Goodwill		57,754	56,038
Other intangible assets		75,302	75,565
Interests in associates	12	34,307	29,782
Equity instruments at fair value through other comprehensive income ("FVTOCI")		9,705	9,705
Deferred tax assets		13,528	9,109
Other receivables	13	7,974	7,827
Deposits	13	25,318	19,672
Restricted bank deposits		49,739	227
Retirement benefit assets		830	802
		335,362	279,587
CURRENT ASSETS			
Trade and other receivables, deposits and prepayments	13	824,389	700,289
Amounts due from related companies	14	694	296
Amounts due from non-controlling shareholders ("NCI Shareholders")	14	5,345	12,348
Restricted bank deposits		9,762	9,458
Time deposits with original maturity over three months		131,702	183,710
Bank balances and cash		689,071	744,432
		1,660,963	1,650,533
CURRENT LIABILITIES			
Trade and other payables	15	626,280	620,706
Contract liabilities	16	52,490	44,823
Lease liabilities		25,580	25,110
Amount due to a shareholder	14	10,139	10,580
Amounts due to related companies	14	624	510
Tax payables		21,948	22,071
		737,061	723,800

Condensed Consolidated Statement of Financial Position

At 30 June 2023

		At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
NET CURRENT ASSETS		923,902	926,733
TOTAL ASSETS LESS CURRENT LIABILITIES		1,259,264	1,206,320
NON-CURRENT LIABILITIES			
Deferred tax liabilities		26,566	24,511
Lease liabilities		21,683	30,762
		48,249	55,273
NET ASSETS		1,211,015	1,151,047
CAPITAL AND RESERVES			
Share capital	17	1,830	1,830
Reserves		1,106,007	1,053,343
Equity attributable to owners of the Company		1,107,837	1,055,173
Non-controlling interests		103,178	95,874
TOTAL EQUITY		1,211,015	1,151,047

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Share held for restricted share unit scheme ("RSU Scheme") RMB'000	Share-based payments reserve RMB'000	Translation reserve RMB'000	Statutory reserve RMB'000 <i>(note)</i>	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2022 (audited)	1,830	760,307	(6,792)	8,986	(60,752)	43,909	506,892	1,254,380	75,394	1,329,774
Profit for the period	-	-	-	-	-	-	54,591	54,591	11,598	66,189
Actuarial gains from remeasurement of defined benefit obligations	-	-	-	-	-	-	77	77	51	128
Exchange differences arising on translation of foreign operations	-	-	-	-	31,104	-	-	31,104	(462)	30,642
Total comprehensive income for the period	-	-	-	-	31,104	-	54,668	85,772	11,187	96,959
Acquisition of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	7,133	7,133
Purchase of shares under RSU Scheme (Note 18(i))	-	-	(3,198)	-	-	-	-	(3,198)	-	(3,198)
Recognition of equity-settled share-based payments (Note 18)	-	-	-	4,893	-	-	-	4,893	-	4,893
Exercise of share options	-*	31	-	(6)	-	-	-	25	-	25
Dividends recognised as distribution (Note 9)	-	(62,251)	-	-	-	-	-	(62,251)	-	(62,251)
At 30 June 2022 (unaudited)	1,830	698,087	(9,990)	13,873	(29,648)	43,909	561,560	1,279,621	93,714	1,373,335
At 1 January 2023 (audited)	1,830	414,171	(36,537)	19,401	(13,273)	54,002	615,579	1,055,173	95,874	1,151,047
Profit for the period	-	-	-	-	-	-	55,596	55,596	7,996	63,592
Actuarial gains from remeasurement of defined benefit obligations	-	-	-	-	-	-	16	16	12	28
Exchange differences arising on translation of foreign operations	-	-	-	-	14,679	-	-	14,679	3,814	18,493
Total comprehensive income for the period	-	-	-	-	14,679	-	55,612	70,291	11,822	82,113
Recognition of equity-settled share-based payments (Note 18)	-	-	-	5,199	-	-	-	5,199	-	5,199
Dividend paid to NCI Shareholders	-	-	-	-	-	-	-	-	(4,518)	(4,518)
Dividends recognised as distribution (Note 9)	-	(22,826)	-	-	-	-	-	(22,826)	-	(22,826)
At 30 June 2023 (unaudited)	1,830	391,345	(36,537)	24,600	1,406	54,002	671,191	1,107,837	103,178	1,211,015

Note: Pursuant to the relevant laws in the People's Republic of China (the "PRC"), each of the subsidiaries established in the PRC is required to transfer 10% of its profit after tax as per statutory financial statements (as determined by the management of the subsidiary) to the statutory reserve. The statutory reserve is discretionary when the reserve balance reaches 50% of the registered capital of the respective company and can be used to make up for previous years' losses or, expand the existing operations or can be converted into additional capital of the subsidiary.

Pursuant to the relevant laws in Taiwan, Taiwan companies shall set aside 10% of their statutory net income each year for the statutory reserve, until the reserve balance has reached the paid-in share capital amount.

These above-mentioned reserves cannot be used for purposes other than those for which they were created and are not distributable as cash dividends.

* Less than RMB1,000.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(66,316)	43,127
INVESTING ACTIVITIES		
Interest received	8,556	4,666
Dividend received from an associate	891	585
Purchases of property and equipment	(1,143)	(3,330)
Placement of restricted bank deposits	(49,505)	–
Placement of time deposits	(127,170)	(442,285)
Withdrawal of time deposits	182,690	301,868
Repayment from NCI Shareholders	7,003	–
Addition of investments in associates	(600)	–
Settlement of consideration receivables from disposal of subsidiaries	–	989
Net cash inflow on acquisition of a subsidiary	–	20
Development costs paid	(3,433)	(5,211)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	17,289	(142,698)
FINANCING ACTIVITIES		
Interest paid	(1,091)	(1,101)
Dividends paid to NCI Shareholders	(4,518)	–
Proceeds from exercise of share options	–	25
Repayment of lease liabilities	(15,948)	(18,539)
Repurchase of shares for RSU Scheme	–	(3,198)
NET CASH USED IN FINANCING ACTIVITIES	(21,557)	(22,813)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(70,584)	(122,384)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	744,432	795,349
Effect of foreign exchange rate changes	15,223	13,937
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	689,071	686,902

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

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 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2022.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following new and 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 2023 for the preparation of the Group’s condensed consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules

Except as describe below, the application of the new and 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 these condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of amendments to IFRSs (Continued)

Impacts on application of Amendments to IAS 12 *Income Taxes International Tax Reform-Pillar Two model Rules*

IAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the “Pillar Two legislation”). The amendments require that entities shall apply the amendments immediately upon issuance. The amendments also require that entities shall disclose separately its current tax expense/income related to Pillar Two income taxes, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group is yet to apply the temporary exception during the current interim period because the Group’s entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group’s exposure to Pillar Two income taxes in the Group’s annual consolidated financial statements in which the Pillar Two legislation has been enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*

In addition, the Group will apply Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s consolidated financial statements for the year ending 31 December 2023.

IAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements but is expected to affect the disclosures of the Group’s accounting policies in the Group’s annual consolidated financial statements for the year ending 31 December 2023.

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 it 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.

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 2023

	Workforce Solutions RMB’000 (unaudited)	Other HR Services RMB’000 (unaudited)	Total RMB’000 (unaudited)
Segment revenue	2,517,172	11,826	2,528,998
Segment profit	280,298	7,589	287,887
Unallocated:			
Selling expenses			(177,347)
Administrative expenses			(43,774)
Other income			9,178
Impairment losses under ECL model, net of reversal			(254)
Other gains and losses			2,231
Finance costs			(1,091)
Share of profit of associates			1,416
Profit before tax			78,246

3. REVENUE AND SEGMENT INFORMATION (Continued)**Segment revenue and results (Continued)****Six months ended 30 June 2022**

	Workforce Solutions RMB'000 (unaudited)	Other HR Services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue	2,218,416	9,913	2,228,329
Segment profit	290,784	6,530	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			2,233
Profit before tax			82,872

Geographical information

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

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
The PRC	1,727,410	1,437,771
Hong Kong and Macau	296,908	298,584
Taiwan	504,680	491,974
	2,528,998	2,228,329

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 2023**

	Workforce Solutions RMB'000 (unaudited)	Other HR Services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Types of service			
Flexible staffing	2,433,094	–	2,433,094
Recruitment solutions	84,078	–	84,078
Others	–	11,826	11,826
	2,517,172	11,826	2,528,998
Timing of revenue recognition			
A point in time	81,161	–	81,161
Over time	2,436,011	11,826	2,447,837
	2,517,172	11,826	2,528,998

Six months ended 30 June 2022

	Workforce Solutions RMB'000 (unaudited)	Other HR Services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Types of service			
Flexible staffing	2,101,305	–	2,101,305
Recruitment solutions	117,111	–	117,111
Others	–	9,913	9,913
	2,218,416	9,913	2,228,329
Timing of revenue recognition			
A point in time	110,630	–	110,630
Over time	2,107,786	9,913	2,117,699
	2,218,416	9,913	2,228,329

3. REVENUE AND SEGMENT INFORMATION (Continued)**Information about customer types**

The Group's customers mainly consist (i) multinational corporations and local enterprises and (ii) government bodies in Greater China Region. Revenue analysis by customer type is as follows:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Multinational corporations and local enterprises	2,401,800	2,135,648
Government bodies	127,198	92,681
	2,528,998	2,228,329

4. OTHER INCOME

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Interest income	8,356	4,356
Dividend income from equity instruments at FVTOCI	–	585
Government grants (<i>note</i>)	603	–
Others	219	413
	9,178	5,354

Note: Government grants represent incentive subsidies received in relation to business carried out by the Group in the PRC. There were no specific conditions/assets attached to the grants and, therefore, the Group recognised the grants upon receipts. The subsidies were granted on a discretionary basis to the Group during the period ended 30 June 2023.

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Impairment losses recognised in respect of <i>(note)</i>		
– property and equipment	(72)	–
– other intangible assets	(1,707)	–
Net exchange gains	4,010	6,754
	2,231	6,754

Note: During the six months ended 30 June 2023, due to the continuing unfavourable market conditions, Shanghai Pingehuo Technology Co., Ltd. ("PGH") faced a lower than expected demand for flexible staffing services in blue collar sector, its financial performance is less satisfactory than expected. Therefore, the recoverable amount of PGH is lower than its carrying amount and impairment losses of approximately RMB72,000 and RMB1,707,000 are recognised on property and equipment and other intangible assets with definite useful lives, respectively, in relation to PGH during the six months ended 30 June 2023. The recoverable amount of the Group's interest in PGH has been determined based on a value in use calculation.

6. FINANCE COSTS

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Interest on lease liabilities	1,091	1,101

7. INCOME TAX EXPENSE

During the six months ended 30 June 2023, the Group had recognised current tax expense of approximately RMB18,050,000 (six months ended 30 June 2022: RMB15,785,000) and deferred tax credit of approximately RMB3,396,000 (six months ended 30 June 2022: deferred tax expense RMB898,000).

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 the six months ended 30 June 2023 and 2022. 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 six months ended 30 June 2023 and 2022. Under the two-tiered profits tax rates regime, the first RMB1,000,000 of the taxable income of qualified entities are taxed at 5% (six months ended 30 June 2022: 2.5%) and the taxable income above RMB1,000,000 and less than RMB3,000,000 are taxed at 5% (six months ended 30 June 2022: 5%).

In addition, a subsidiary of the Group in the PRC has been accredited as High and New Technology Enterprise by the Science and Technology Bureau of Shanghai and relevant authorities on 14 December 2022 for a term of three years from 2022 to 2025, and it was subject to a preferential corporate income tax rate of 15% for the six months ended 30 June 2023 (six months ended 30 June 2022: N/A). The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authorities in the PRC for every three years.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2023 and 2022.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong dollar (“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 progressive rate ranging from 3% to 9% on the estimated assessable profit below or equal to Macau Pataca (“MOP”) 300,000 and at 12% on the estimated assessable profits above MOP300,000 for the six months ended 30 June 2023 and 2022. In addition, a special complementary tax incentive was provided to the effect that the tax-free income threshold was increased from MOP32,000 to MOP600,000 with the estimated assessable profit above MOP600,000 being taxed at 12% for the six months ended 30 June 2023 and 2022.

Taiwan Income Tax is calculated at 20% of the estimated assessable profit when such amount is above New Taiwan dollar 120,000 for the six months ended 30 June 2023 and 2022. 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. Under the relevant regulations in Taiwan, a corporate surtax of 5% is imposed on earnings of subsidiaries in Taiwan not distributed in the following year.

7. INCOME TAX EXPENSE (Continued)

The Company incorporated in Cayman Islands is not subject to income tax or capital gain tax under the law of Cayman Islands. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

The group entities established in the British Virgin Islands (“BVI”) are not subject to income tax or capital gain tax under the law of BVI.

Under the EIT Law of the PRC and relevant laws and regulations in Taiwan, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards and Taiwan subsidiaries, that are received by non-local resident entities. Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries and Taiwan subsidiaries in aggregate amounting to approximately RMB310.7 million (31 December 2022: RMB283.4 million) as at 30 June 2023, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Profit for the period has been arrived at after charging:		
Directors' emoluments		
Fees	300	300
Salaries, allowances and other benefits	1,690	1,649
Retirement benefit scheme contributions	54	49
Performance related bonus	649	618
Equity-settled share based expense	1,412	797
	4,105	3,413
Other staff costs		
Salaries, allowances and other benefits	2,015,032	1,713,078
Retirement benefit scheme contributions	335,378	336,433
Equity-settled share-based payments	3,787	4,096
	2,354,197	2,053,607
Total staff costs	2,358,302	2,057,020
Depreciation of property and equipment	3,181	2,916
Depreciation of right-of-use assets	13,897	17,221
Expenses related to short-term leases	544	577
Amortisation of intangible assets	3,028	2,996
Research and development costs recognised as an expense	2,859	–

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.

9. DIVIDENDS

During the current interim period, a final dividend of HK\$0.12 per ordinary share in respect of the year ended 31 December 2022, in an aggregate amount of approximately HK\$24.9 million (equivalent to approximately RMB22.8 million), has been proposed by the directors of the Company and approved by the shareholders of the Company. The dividend was paid in July 2023.

During the six months ended 30 June 2022, 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), was declared and paid in July 2022. In 2022, an interim dividend of HK\$1.60 per ordinary share, in an aggregate amount of approximately HK\$332 million (equivalent to approximately RMB283.9 million), was declared and paid in September 2022.

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

10. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	55,596	54,591

Number of shares

	Six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	202,420,145	206,543,646
Effect of dilutive potential ordinary shares: Unvested restricted share units ("RSUs")	379,826	112,128
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	202,799,971	206,655,774

10. EARNINGS PER SHARE

Number of shares (Continued)

During the six months ended 30 June 2023, the weighted average numbers of ordinary shares for the calculation of basic and diluted earnings per share have been adjusted for the effect of certain shares held by the trustee pursuant to the RSU Scheme.

The computation of diluted earnings per share for the six months ended 30 June 2023 and 2022 did not assume the exercise of share options granted by the Company because the exercise prices of those options were higher than the average market prices for shares of the Company for the six months ended 30 June 2023 and 2022.

11. MOVEMENTS IN PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property and equipment

During the six months ended 30 June 2023, the Group had additions of property and equipment of approximately RMB1,143,000 (six months ended 30 June 2022: RMB3,330,000).

Right-of-use assets

During the current interim period, the Group entered into new lease agreements with lease terms ranging from 1 to 5 years (six months ended 30 June 2022: 2 to 3 years). The Group is required to make fixed monthly payments. On lease commencement, the Group recognised right-of-use assets of approximately RMB6,959,000 (six months ended 30 June 2022: RMB11,676,000) and lease liabilities of approximately RMB6,959,000 (six months ended 30 June 2022: RMB11,676,000).

12. INTERESTS IN ASSOCIATES

	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
Cost of investments in associates	27,851	23,851
Share of post-acquisition profits and other comprehensive income, net of dividends received	6,456	5,931
	34,307	29,782

During the six months ended 30 June 2023, the Group entered into an agreement with an independent third party for investment of 34% equity interest in 盛邁寶(上海) 科技有限公司 (“盛邁寶”) for a consideration of RMB3,400,000 and completed the transaction by June 2023. The Group has the right to appoint one out of three directors on the board of 盛邁寶. The directors of the Company considered that the Group can exercise significant influence over 盛邁寶 and it is therefore classified as an associate of the Group.

During the six months ended 30 June 2023, the Group has entered into an agreement with an independent third party for investment of 20% equity interest in 上海萬寶弘裕人力資源有限公司 (“萬寶弘裕”) for a consideration of RMB600,000 and completed the transaction by June 2023. The Group has the right to appoint one out of three directors on the board of 萬寶弘裕. The directors of the Group consider that the Group can exercise significant influence over 萬寶弘裕 and it is therefore classified as an associate of the Group.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
Trade receivables	788,360	681,439
Less: allowance for credit losses	(6,759)	(6,496)
Total trade receivables	781,601	674,943
Deposits, prepayments and other receivables	65,863	42,827
Consideration receivables (<i>note</i>)	10,217	10,018
Total trade and other receivables, deposits and prepayments	857,681	727,788
Analysed as:		
– Non-current	33,292	27,499
– Current	824,389	700,289
	857,681	727,788

Note: The outstanding consideration receivables arising on disposal of a subsidiary of RMB10,217,000 at 30 June 2023 (31 December 2022: RMB10,018,000) will be settled by instalments by December 2027 and were, accordingly, adjusted for the effect of the time value of money using an effective interest rate of 4.9% per annum. Such consideration receivables are recorded on the condensed consolidated statement of financial position of the Group as follows:

	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
Consideration receivables:		
– Non-current	7,974	7,827
– Current	2,243	2,191
	10,217	10,018

As at 30 June 2023, included in trade receivables of approximately RMB4,815,000 (31 December 2022: Nil) are trade-related amounts due from associates. The Group generally allows average credit period of 30–90 days to its customers.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

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

	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
0–30 days	714,803	634,919
31–60 days	29,477	18,652
61–90 days	14,878	9,204
Over 90 days	22,443	12,168
	781,601	674,943

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2023 for assessment of ECL are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

14. AMOUNTS DUE FROM (TO) A SHAREHOLDER/RELATED COMPANIES/ NCI SHAREHOLDERS

The amounts due from related companies of approximately RMB694,000 (31 December 2022: RMB296,000) at 30 June 2023 are trade related, unsecured, non-interest bearing and repayable on demand.

The amount due from a non-controlling shareholder of approximately RMB4,610,000 (31 December 2022: RMB11,613,000) at 30 June 2023 is non-trade related, unsecured, carry interest at 4.52% (31 December 2022: ranging from 2% to 5%) per annum and repayable on demand. The remaining amount due from a non-controlling shareholder of approximately RMB735,000 (31 December 2022: RMB735,000) is non-trade related, unsecured, non-interest bearing and repayable on demand.

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

	Amounts due from related companies	
	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
0–30 days	547	292
31–60 days	11	–
61–90 days	25	–
Over 90 days	111	4
	694	296

The directors of the Company considered that the ECL for the amounts due from related companies and NCI Shareholders is insignificant as at 30 June 2023 and 2022.

14. AMOUNTS DUE FROM (TO) A SHAREHOLDER/RELATED COMPANIES/ NCI SHAREHOLDERS (Continued)

The amounts due to a shareholder of approximately RMB8,125,000 (31 December 2022: RMB7,872,000) at 30 June 2023 are non-trade related, unsecured, non-interest bearing and repayable on demand.

The remaining amounts due to a shareholder of approximately RMB2,014,000 (31 December 2022: RMB2,708,000) and the amounts due to related companies of approximately RMB624,000 (31 December 2022: RMB510,000) at 30 June 2023 are trade related, unsecured, non-interest bearing and repayable on demand.

The following is an ageing analysis of amounts due to a shareholder and related companies (trade related) at the end of the reporting period, presented based on the invoice date:

	Amount due to a shareholder		Amounts due to related companies	
	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
0–30 days	1,131	921	191	510
31–60 days	497	763	6	–
61–90 days	384	890	6	–
Over 90 days	2	134	421	–
	2,014	2,708	624	510

15. 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 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
0–30 days	12,738	13,265
31–60 days	–	7
61–90 days	–	67
Over 90 days	1	–
	12,739	13,339

As at 30 June 2023, included in trade and other payables of approximately RMB1,101,000 (31 December 2022: RMB976,000) is trade-related amount due to an associate and approximately RMB100,000 (31 December 2022: Nil) is non-trade related amount due to an associate.

16. CONTRACT LIABILITIES

The Group requires advanced payments from certain customers mainly from flexible staffing services. When the Group receives advanced payments before the service commences, this will give rise to contract liabilities at the commencement of a contract, until the revenue recognised on the relevant contract exceeds the amount of the advanced payments. All of the contract liabilities at the end of the reporting periods were recognised as revenue in subsequent period.

17. SHARE CAPITAL

	Par value	Number of shares	Amount HK\$	Shown in the financial statements RMB'000
Ordinary shares				
Authorised:				
At 1 January 2022 (audited), 30 June 2022 (unaudited), 1 January 2023 (audited) and 30 June 2023 (unaudited)	HK\$0.01	1,520,000,000	15,200,000	
Issued and fully paid:				
At 1 January 2022 (audited)	HK\$0.01	207,500,000	2,075,000	1,830
Exercise of share options	HK\$0.01	3,500	35	—*
At 30 June 2022 (unaudited)	HK\$0.01	207,503,500	2,075,035	1,830
Exercise of share options	HK\$0.01	1,500	15	—*
At 1 January 2023 (audited) and 30 June 2023 (unaudited)	HK\$0.01	207,505,000	2,075,050	1,830

* Less than RMB1,000.

18. SHARE-BASED PAYMENT TRANSACTIONS

(i) Share options scheme ("Share Options Scheme") of the Company

The Company's Share Options Scheme was adopted pursuant to a resolution passed on 5 June 2019 for the primary purpose of providing incentives to directors of the Company and eligible employees, and will expire on 5 June 2029, subjected to earlier termination by the Company in general meeting or by the board of directors. Under the Share Options Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 30 June 2023, the number of shares in respect of which options had been granted and remained outstanding under the Share Options Scheme was 8,163,875 (31 December 2022: 10,253,625), representing 3.9% (31 December 2022: 4.9%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Share Options Scheme is not permitted to exceed 10% of the shares of the Company in issue immediately upon completion of the global offering of the shares of the Company, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period up to date of offer is not permitted to exceed an aggregate 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of an aggregate 0.1% of the Company's share in issue in the 12-month period up to and including the date of offer and with an aggregate value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

18. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(i) Share Options Scheme of the Company (Continued)

The period during which an option may be exercised will be determined by the board of directors in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of offer, (ii) the average closing price of the shares for the five business days immediately preceding the date of offer; and (iii) the nominal value of the Company's share.

On 20 September 2019, the Company granted 3,862,000 share options at exercise price of HK\$10.94 per share option ("2019 Share Options"), which are accepted by the grantees, to subscribe for an aggregate of 3,862,000 shares under the Scheme. On 9 April 2021, the Company modified the vesting conditions of the 2019 Share Options. After the modification, the 2019 Share Options shall be vested on 20 September 2022 conditionally upon fulfillment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit. The incremental fair value will be expensed over the remaining vesting periods.

On 8 April 2020, the Company granted 3,967,000 share options at exercise price of HK\$8.76 per share option ("2020 Share Options"), which are accepted by the grantees, to subscribe for an aggregate of 3,967,000 shares under the Share Options Scheme. The 2020 Share Options shall be vested on 8 April 2023 conditionally upon fulfillment of the performance targets based on the growth rate of the Company's audited net profit. On 9 April 2021, the Company modified certain terms of the 2020 Share Options. After the modification, 50% of the 2020 Share Options and 50% of the 2020 Share Options shall be vested on 7 April 2022 and 7 April 2023, respectively, conditionally upon fulfillment of the performance targets based on the growth rate of the Company audited revenue or adjusted net profit. The incremental fair value will be expensed over the remaining vesting periods.

On 9 April 2021, the Company granted 3,858,000 share options at exercise price of HK\$10.00 per share option ("2021 Share Options"), which are accepted by the grantees, to subscribe for an aggregate of 3,858,000 shares under the Share Options Scheme. The 2021 Share Options shall be vested in two tranches, among which, 1,929,000 share options granted shall be vested on 8 April 2022 and another 1,929,000 share options granted shall be vested on 8 April 2023, respectively, conditionally upon fulfillment of the performance targets based on the growth rate of the Company audited revenue or adjusted net profit.

On 31 March 2022, the Company granted 3,930,000 share options at exercise price of HK\$8.61 per share option ("2022 Share Options"), which are accepted by the grantees, to subscribe for an aggregate of 3,930,000 shares under the Share Options Scheme. The 2022 Share Options shall be vested in two tranches, among which 1,965,000 Share Options (the "2022 Tranche 1 Share Options") granted shall be vested on 30 March 2023 and another 1,965,000 Share Options (the "2022 Tranche 2 Share Options") granted shall be vested on 30 March 2024 subject to below vesting conditions:

18. SHARE-BASED PAYMENT TRANSACTIONS (Continued)**(i) Share Options Scheme of the Company (Continued)****2022 Tranche 1 Share Options**

- (i) 25% of Tranche 1 Share Options shall be vested on 30 March 2023 with no performance targets requirement;
- (ii) 75% of Tranche 1 Share Options shall be vested on 30 March 2023 conditionally upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit.

2022 Tranche 2 Share Options

- (i) 25% of Tranche 2 Share Options shall be vested on 30 March 2024 with no performance targets requirement;
- (ii) 75% of Tranche 2 Share Options shall be vested on 30 March 2024 conditionally upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit.

The following table discloses movements of the Company's share options:

	Exercise price	Date of grant	Number of share options		
			Outstanding at 1 January 2023	Lapsed/ Forfeited during period	Outstanding at 30 June 2023
Directors of the Company	HK\$10.94	20 September 2019	150,000	-	150,000
	HK\$8.76	8 April 2020	281,250	(56,250)	225,000
	HK\$10.00	9 April 2021	375,000	(75,000)	300,000
	HK\$8.61	31 March 2022	400,000	(50,000)	350,000
Employees	HK\$10.94	20 September 2019	1,474,500	(132,000)	1,342,500
	HK\$8.76	8 April 2020	1,855,750	(407,500)	1,448,250
	HK\$10.00	9 April 2021	2,452,125	(600,375)	1,851,750
	HK\$8.61	31 March 2022	3,265,000	(768,625)	2,496,375
			10,253,625	(2,089,750)	8,163,875
Exercisable at the end of the period			3,750,125		6,537,375
Weighted average exercise price (HK\$)			9.39	9.24	9.43

The estimated fair values of the options granted on 20 September 2019, 8 April 2020, 9 April 2021 and 31 March 2022 are approximately RMB3,222,000, RMB4,618,000, RMB5,128,000 and RMB4,760,000, respectively.

During the current interim period, the Group recognised the total expense of approximately RMB1,722,000 (six months ended 30 June 2022: RMB3,306,000) in relation to the share options granted by the Company.

18. SHARE-BASED PAYMENT TRANSACTIONS (Continued)**(i) Share Options Scheme of the Company (Continued)**

The following assumptions were used to calculate the fair value of share options:

	2022	2021	2020	2020	2019	2019
	Share Options	Share Options	Share Options (after modification)	Share Options (before modification)	Share Options (after modification)	Share Options (before modification)
Exercise price	HK\$8.61	HK\$10.00	HK\$8.76	HK\$8.76	HK\$10.94	HK\$10.94
Expected volatility	38.05%	38.48%	38.48%	34.47%	38.48%	30.16%
Expected life	4-5 years	4-5 years	4-5 years	6 years	4.45 years	6 years
Risk-free rate	1.80%-1.97%	0.46%-0.70%	0.46%-0.70%	0.71%	0.57%	1.27%
Expected dividend yield	4.30%	3.31%	3.31%	3.15%	3.31%	2.79%
Exercise multiple	2.2-2.8	2.2-2.8	2.2-2.8	2.2-2.8	2.2-2.8	2.2-2.8

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors of the Company's best estimate. The value of an option varies with different variables of certain subjective assumptions.

(ii) RSU Scheme of the Company

The Company's RSU Scheme was adopted pursuant to a resolution passed on 10 June 2021 for the primary purpose of providing incentives to directors of the Company and eligible employees. The RSU Scheme will be valid and effective for a period of ten years commencing on 10 June 2021.

The maximum number of restricted share units ("RSUs") that may be granted under the RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) shall not exceed 2.5% of the number of shares in issue from time to time.

The Company has entered into a trust deed with the trustee for the purpose of facilitating the purchase and holding of shares of the Company and the administration of the RSU Scheme.

On 10 June 2021, an aggregate of 780,000 RSUs ("2021 June RSU Awards") were granted to directors of the Company and eligible employees pursuant to the RSU Scheme, representing 0.38% of the shares of the Company in issue at that date. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date. The 2021 June RSU Awards shall be vested conditionally over 36 months from the grant date. The 2021 June RSU Awards will be satisfied, upon the satisfaction or waiver of all the relevant vesting conditions, by existing shares of the Company to be acquired by the trustee through on-market purchases.

On 9 September 2021, an aggregate of 91,105 RSUs ("2021 September RSU Awards") were granted to directors of the Company pursuant to the RSU Scheme, representing 0.044% of the shares of the Company in issue at that date. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date. The 2021 September RSU Awards shall be vested conditionally over 36 months from the grant date. The 2021 September RSU Awards will be satisfied, upon the satisfaction or waiver of all the relevant vesting conditions, by existing shares of the Company to be acquired by the trustee through on-market purchases.

18. SHARE-BASED PAYMENT TRANSACTIONS (Continued)**(ii) RSU Scheme of the Company (Continued)**

On 31 March 2022, an aggregate of 1,031,000 RSUs (“2022 March RSU Awards”) were granted to directors of the Company and eligible employees pursuant to the RSU Scheme, representing 0.5% of the shares of the Company as at the date. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date. The 2022 March RSU Awards shall be vested conditionally over 36 months from the grant date. The 2022 March RSU Awards will be satisfied, upon the satisfaction or waiver of all the relevant vesting conditions, by existing shares of the Company to be acquired by the trustee through on-market purchases.

On 30 March 2023, an aggregate of 2,492,000 RSUs (“2023 March RSU Awards”) were granted to directors of the Company and eligible employees pursuant to the RSU Scheme, representing 1.2% of the shares of the Company as at the date. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date. The 2023 March RSU Awards shall be vested conditionally over 12 to 36 months from the grant date. The 2023 March RSU Awards will be satisfied, upon the satisfaction or waiver of all the relevant vesting conditions, by existing shares of the Company to be acquired by the trustee through on-market purchases.

As at 30 June 2023, 5,084,855 (31 December 2022: 5,084,855) of the Company’s own ordinary shares are held by the trustee.

The following tables disclose movements of the Company’s RSUs:

	Date of grant	Number of RSUs			Outstanding at 30 June 2023
		Outstanding at 1 January 2023	Granted during period	Forfeited during period	
Directors of the Company	10 June 2021	130,000	–	–	130,000
	9 September 2021	91,105	–	(13,015)	78,090
	31 March 2022	291,000	–	(13,000)	278,000
	30 March 2023	–	812,000	(36,000)	776,000
Employees	10 June 2021	521,000	–	(115,000)	406,000
	31 March 2022	701,000	–	(150,000)	551,000
	30 March 2023	–	1,680,000	(60,000)	1,620,000
		<u>1,734,105</u>	<u>2,492,000</u>	<u>(387,015)</u>	<u>3,839,090</u>

During the current interim period, the Group recognised the total expense of approximately RMB3,477,000 (six months ended 30 June 2022: RMB1,587,000) in relation to the RSUs granted by the Company.

19. RELATED PARTY DISCLOSURES

In addition to the transactions and balances disclosed elsewhere in the condensed consolidation financial statements, the Group had entered into the following significant related party transactions:

Nature of transaction		Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
A Shareholder	License fee expense	4,332	4,556
	Information technology services expense	–	16
Related companies	Manpower Employment Outlook Survey license fee expense	211	183
	Flexible staffing service income	1,211	2,173
	Flexible staffing service expense	4,360	290
	Other HR services income	538	304
	Other HR services expense	7	–

Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the period was as follows:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Short-term employee benefits	8,664	8,684
Post-employment benefits	568	247
Share-based payments	1,412	797
	10,644	9,728

The remuneration of directors of the Company and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values to various financial assets and financial liabilities.

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30 June 2023	31 December 2022				
	RMB'000 (unaudited)	RMB'000 (audited)				
Unlisted equity investments classified as equity instruments at FVTOCI	9,705	9,705	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate.	Discount rate of 19.92% (31 December 2022: 21.07%)	The higher the discount rate, the lower the fair value. A 1% increase in the discount rate, holding all other variables constant, would decrease the carrying amount of the equity investments by RMB88,000 (31 December 2022: RMB88,000), vice versa.

There was no transfer among the different levels of the fair value hierarchy for both periods.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(ii) Reconciliation of Level 3 fair value measurements

The following table presents the reconciliation of Level 3 fair value measurements of unlisted investments classified as equity instruments at FVTOCI during the reporting period:

	Unlisted investments classified as equity instruments at FVTOCI RMB'000
At 1 January 2022 (audited), 31 December 2022 (audited) and 30 June 2023 (unaudited)	9,705

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

(iv) Fair value measurement and valuation process

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group may engage third party qualified valuers to perform the valuation or obtain relevant data from banks or other relevant parties, if applicable. The finance department of the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

21. SURETY BONDS AND CONTINGENT LIABILITY

Certain customers of service contracts undertaken by the Group require the Group to issue guarantees for performance of contract works in the form of surety bonds.

The Group had outstanding performance bonds, for which restricted bank deposits are pledged, as follows:

	At 30 June 2023 RMB'000 (unaudited)	At 31 December 2022 RMB'000 (audited)
Issued by the banks	59,501	9,685

22. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group has no significant events after the end of the reporting period.