ManpowerGroup®

MANPOWERGROUP GREATER CHINA LIMITED
万宝盛华大中华有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2180)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board (the "**Board**") of directors (the "**Directors**") of ManpowerGroup Greater China Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2019 (the "**Period**"), together with the comparative figures for the corresponding period of 2018 and as at 31 December 2018 as well as selected explanatory notes as set out below. The unaudited condensed consolidated interim financial information for the Period has been reviewed by the audit committee of the Company (the "**Audit Committee**").

FINANCIAL HIGHLIGHTS

– Revenue including revenue from providing workforce solution services and other human resource services was RMB1,441.6 million for the six months ended 30 June 2019, increased by approximately 31.1% from RMB1,099.7 million for the six months ended 30 June 2018.

– Gross profit was RMB297.4 million for the six months ended 30 June 2019, increased by approximately 19.0% from RMB250.0 million for the six months ended 30 June 2018.

– Adjusted profit for the period attributable to owners of the Company from continuing operations* (excluding one-off listing expenses) was RMB56.1 million for the six months ended 30 June 2019, increased by approximately 38.9% from RMB40.4 million for the six months ended 30 June 2018.

– The earnings per share calculated based on the adjusted profit for the period attributable to owners of the Company from continuing operations* was RMB0.37 per share for the six months ended 30 June 2019, increased from RMB0.27 per share for the six months ended 30 June 2018.

– The Board declared and paid a final dividend of US$12.2 million (equivalent to approximately RMB83.8 million) to the owners of the Company in respect of the year ended 31 December 2018. The Board does not recommend the payment of interim dividend for the six months ended 30 June 2019 to the shareholders of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Continuing operations			
Revenue	*3*	**1,441,592**	1,099,669
Cost of services		**(1,144,183)**	(849,642)
Gross profit		**297,409**	250,027
Selling expenses		**(189,906)**	(169,346)
Administrative expenses		**(26,671)**	(26,451)
Other income		**3,483**	1,572
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**(1,139)**	(728)
Other gains and losses		**1,717**	4,048
Finance costs		**(1,727)**	–
Share of loss of associates		**(1,411)**	(676)
Listing expenses		**(19,172)**	–
Profit before tax		**62,583**	58,446
Income tax expense	*4*	**(17,659)**	(11,959)
Profit for the period from continuing operations		**44,924**	46,487
Discontinued operation			
Profit for the period from discontinued operation		**–**	683
Profit for the period	*5*	**44,924**	47,170
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss:			
Actuarial losses from remeasurement of defined benefit obligations, net of tax		**(245)**	(39)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(5,612)**	11,964
Other comprehensive (expense) income for the period, net of tax		**(5,857)**	11,925
Total comprehensive income for the period		**39,067**	59,095

	NOTE	Six months ended 30 June **2019** **RMB'000** **(unaudited)**	2018 RMB'000 (unaudited)
Profit for the period attributable to owners of the Company			
– from continuing operations		**36,926**	40,371
– from discontinued operation		**–**	410
Profit for the period attributable to owners of the Company		**36,926**	40,781
Profit for the period attributable to non-controlling interests			
– from continuing operations		**7,998**	6,116
– from discontinued operation		**–**	273
Profit for the period attributable to non-controlling interests		**7,998**	6,389
		44,924	47,170
Total comprehensive income for the period attributable to:			
Owners of the Company		**31,642**	52,653
Non-controlling interests		**7,425**	6,442
		39,067	59,095
Earnings per share	*7*		
From continuing and discontinued operations			
Basic (RMB)		**0.25**	0.27
From continuing operations			
Basic (RMB)		**0.25**	0.27

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2019

	NOTES	**At 30 June 2019** ***RMB'000*** **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
NON-CURRENT ASSETS			
Property and equipment		**14,168**	13,833
Right-of-use assets		**74,856**	–
Goodwill		**69,352**	69,310
Other intangible assets		**40,346**	41,669
Interests in associates		**4,787**	6,198
Equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**9,705**	9,705
Deferred tax assets		**3,718**	3,521
Other receivable		**6,239**	12,448
Deposits		**12,427**	14,710
Restricted bank deposits		**9,305**	9,299
Retirement benefit assets		**61**	388
		244,964	181,081
CURRENT ASSETS			
Trade and other receivables, deposits and prepayments	*8*	**500,281**	451,409
Amount due from ultimate holding company	*9*	**3,749**	4,159
Financial assets at fair value through profit or loss ("**FVTPL**")		**88,771**	87,279
Restricted bank deposits		**272**	32,410
Time deposits with original maturity over three months		**–**	147,184
Bank balances and cash		**310,085**	229,839
		903,158	952,280
CURRENT LIABILITIES			
Trade and other payables	*10*	**336,795**	343,748
Contract liabilities		**19,429**	12,821
Lease liabilities		**28,921**	–
Amount due to ultimate holding company	*9*	**24,516**	20,713
Amounts due to fellow subsidiaries	*9*	**291**	2,411
Tax payables		**19,326**	24,084
		429,278	403,777

	At **30 June 2019** *RMB'000* **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
NET CURRENT ASSETS	**473,880**	548,503
TOTAL ASSETS LESS CURRENT LIABILITIES	**718,844**	729,584
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**6,880**	6,875
Lease liabilities	**45,979**	–
	52,859	6,875
NET ASSETS	**665,985**	722,709
CAPITAL AND RESERVES		
Share capital	**125**	125
Reserves	**600,672**	652,813
Equity attributable to owners of the Company	**600,797**	652,938
Non-controlling interests	**65,188**	69,771
TOTAL EQUITY	**665,985**	722,709

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands 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 are PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and 36/F, Xin Mei Union Square, No.999, Pudong Road (S), Pudong District, Shanghai, the People's Republic of China (the "**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 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 changes in accounting policies resulting from application of new and 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 2019 are the same as those presented in the prospectus of the Company dated 27 June 2019 for the year ended 31 December 2018.

Except as described below, the application of the new and amendments to IFRSs and the interpretation in the current 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.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid rent by applying IFRS 16.C8(b)(ii) transition.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied by the relevant group entities range from 3.41% to 4.83%.

3. REVENUE AND SEGMENT INFORMATION

Segment information

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

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

1. Workforce Solutions – the Group provides the following services to its customers:

   - Flexible staffing service for which the Group helps to provide contingent workers for customers who wish to manage their own headcount or only require workers for limited time or a specific project. The Group provides contingent workers contracted with the Group that the Group finds suitable for the job descriptions and assign them to the customers.

   - Headhunting service for which the Group helps customers search for, identify and recommend suitable candidates for job vacancies.

   - Recruiting process outsourcing ("**RPO**") service include RPO management services and recruitment services. The Group assists customers' hiring process, which include candidate assessments, screening, conducting candidate interviews, providing sourcing technology, and providing the Group's marketing and recruiting expertise.

2. Other Human Resource ("**HR**") Services – the Group provides human resource services to customers who need assistance in outplacement, leadership development, career management, talent assessment, and training and development services.

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

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by operating and reportable segment.

Six months ended 30 June 2019

	Workforce Solutions *RMB'000* **(unaudited)**	**Other HR Services** *RMB'000* **(unaudited)**	**Total** *RMB'000* **(unaudited)**
Continuing operations			
Segment revenue	**1,407,795**	**33,797**	**1,441,592**
Segment profit	**282,049**	**15,360**	**297,409**
Unallocated:			
Selling expenses			**(189,906)**
Administrative expenses			**(26,671)**
Other income			**3,483**
Impairment losses under ECL model, net of reversal			**(1,139)**
Other gains and losses			**1,717**
Finance costs			**(1,727)**
Share of loss of associates			**(1,411)**
Listing expenses			**(19,172)**
Profit before tax			**62,583**

Six months ended 30 June 2018

	Workforce Solutions *RMB'000* (unaudited)	Other HR Services *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Continuing operations			
Segment revenue	1,068,690	30,979	1,099,669
Segment profit	236,308	13,719	250,027
Unallocated:			
Selling expenses			(169,346)
Administrative expenses			(26,451)
Other income			1,572
Impairment losses under ECL model, net of reversal			(728)
Other gains and losses			4,048
Share of loss of associates			(676)
Profit before tax			58,446

3. **REVENUE AND SEGMENT INFORMATION** *(Continued)*

Geographical information

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

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Continuing operations		
PRC	**705,144**	502,945
Hong Kong and Macau	**337,094**	272,976
Taiwan	**399,354**	323,748
	1,441,592	1,099,669

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, share of loss of associates and listing expenses. 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 2019

	Workforce Solutions *RMB'000* **(unaudited)**	**Other HR Services** *RMB'000* **(unaudited)**	**Total** *RMB'000* **(unaudited)**
Continuing operations			
Types of service			
Flexible staffing	**1,256,721**	**–**	**1,256,721**
Headhunting	**136,332**	**–**	**136,332**
RPO	**14,742**	**–**	**14,742**
Others	**–**	**33,797**	**33,797**
	1,407,795	**33,797**	**1,441,592**
Timing of revenue recognition			
A point in time	**145,315**	**–**	**145,315**
Over time	**1,262,480**	**33,797**	**1,296,277**
	1,407,795	**33,797**	**1,441,592**

Six months ended 30 June 2018

	Workforce Solutions *RMB'000* (unaudited)	Other HR Services *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Continuing operations			
Types of service			
Flexible staffing	928,190	–	928,190
Headhunting	125,935	–	125,935
RPO	14,565	–	14,565
Others	–	30,979	30,979
	1,068,690	30,979	1,099,669
Timing of revenue recognition			
A point in time	134,076	–	134,076
Over time	934,614	30,979	965,593
	1,068,690	30,979	1,099,669

4. INCOME TAX EXPENSE

During the six months ended 30 June 2019, the Group had recognised current tax expense of approximately RMB17,912,000 (six months ended 30 June 2018: RMB12,465,000) and deferred tax credit of approximately RMB253,000 (six months ended 30 June 2018: RMB506,000).

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period from continuing operations has been arrived at after charging:		
Directors' emoluments		
Salaries, allowances and other benefits	**1,463**	1,463
Retirement benefit scheme contributions	**50**	47
Performance related bonus	**1,563**	1,250
	3,076	2,760
Depreciation of property and equipment	**1,838**	1,613
Depreciation of right-of-use assets	**15,560**	–
Amortisation	**1,329**	1,248
Loss on disposal of property and equipment	**29**	17

6. DIVIDENDS

During the current interim period, a final dividend of US$12.2 million (equivalent to approximately RMB83,783,000) in respect of the year ended 31 December 2018 (six months ended 30 June 2018: nil) was declared and paid to the owners of the Company.

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

7. EARNINGS PER SHARE

For continuing operations

The calculation of basic 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	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period attributable to owners of the Company	**36,926**	40,781
Less: profit for the period from discontinued operation	**–**	(410)
Earnings for the purpose of basic earnings per share from continuing operations	**36,926**	40,371

7. EARNINGS PER SHARE *(Continued)*

Number of shares

	Six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
Number of ordinary shares for the purpose of basic earnings per share	**150,000,000**	150,000,000

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the redenomination of issued share capital and the issue of 135,097,920 ordinary shares pursuant to the capitalisation issue has been effective on 1 January 2018.

No diluted earnings per share for the six months ended 30 June 2019 and 2018 was presented as there were no potential ordinary shares in issue during the six months ended 30 June 2019 and 2018.

From continuing and discontinued operations

The calculation of the basic earnings per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company)	**36,926**	40,781

The denominators used are the same as those detailed above for basic earnings per share.

From discontinued operation

For the six months ended 30 June 2018, basic earnings per share for the discontinued operation is RMB0.003, based on the profit for the period from the discontinued operation attributable to owners of the Company of approximately RMB410,000 and the denominators detailed above for basic earnings per share.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0–30 days	**427,543**	383,073
31–60 days	**11,674**	17,915
61–90 days	**13,962**	8,034
Over 90 days	**3,799**	3,645
	456,978	412,667

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

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

	Amount due from ultimate holding company	
	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0–30 days	**–**	96
31–60 days	**–**	98
	–	194

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

	Amount due to ultimate holding company		**Amounts due to fellow subsidiaries**	
	At 30 June 2019	At 31 December 2018	**At 30 June 2019**	At 31 December 2018
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
0–30 days	**728**	656	**114**	280
31–60 days	**647**	805	**–**	50
61–90 days	**589**	1,037	**–**	38
Over 90 days	**14,335**	9,147	**–**	312
	16,299	11,645	**114**	680

10 TRADE AND OTHER PAYABLES

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

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0–30 days	**16,052**	13,308
31–60 days	**38**	343
61–90 days	**–**	1,180
Over 90 days	**306**	293
	16,396	15,124

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is the leading workforce solution service provider in the Greater China region and continued to achieve a strong growth in the first half of 2019. Leveraging on the Group's reputable brands, it successfully capitalised on the strong potential in the PRC workforce solution market and the increase in popularity of flexible staffing model as evidenced by the growth in the Group's overall revenue and, particularly, the flexible staffing business line during the Period.

In the first half of 2019, the Group achieved a revenue of RMB1,441.6 million, representing an increase of approximately 31.1% compared to the corresponding period in 2018. In particular, revenue generated from the arrangement of flexible staffing, the Group's major business, grew by approximately 35.4% to RMB1,256.7 million. During the Period, adjusted profit attributable to owners of the Company from continuing operations (excluding one-off listing expenses) was RMB56.1 million, representing an increase of approximately 38.9% from RMB40.4 million for the six months ended 30 June 2018.

With its dedication to excellence, the Group continued to maintain its wide recognition in the Greater China region as underscored by a number of awards obtained during the Period. During the Period, the Group received "The Best HR Service Organization of the Year 2018" (2018年度最佳人力資源服務機構) from HR Salon and "Best HR Awards-2018 – Recruitment Agency of the Year"(最佳人力資源服務－年度招聘服務機構獎) from CTgoodjobs. The Group was also named "The Best Comprehensive HR Service Provider in Greater China (Foreign Company/Joint Venture)" (大中華區最佳綜合人力資源服務機構（外資／合資）) by HRoot. It was also one of the "Top 12 Flexible Staffing Service Providers" (中國靈活用工服務機構12強) and "Top 10 Individual Ability Development Solution Providers" (中國個人能力發展培訓機構10強) recognised by HR Excellence Center in 2019.

During the Period, the Group continued its strategy to expand its business scale and market share. As at 30 June 2019, the Group had served over 22,800 clients, including over 270 Fortune 500 companies and prominent local public and private employers. During the Period, the Group has acquired over 300 new clients. The Group also strived to strengthen its relationship with its clients by expanding service offerings with an aim to fully cover its clients' workforce related needs and create values. In addition, the Group focused on driving the growth of its talent pool by leveraging its ability to match talents with suitable career opportunities, the quality of its services and its ability to engage talents throughout different stages of their career life cycle. As at 30 June 2019, the Group had over 4.5 million candidates in its talent pool.

During the Period, the Group upgraded its internal online management systems, which has contributed to optimising its execution and management of flexible staffing and headhunting businesses and improved operating efficiency.

On 10 July 2019, the shares of the Company was successfully listed on the Main Board of the Stock Exchange (the "**Listing**"), marking a key milestone in the development of the Group.

FUTURE OUTLOOK AND STRATEGIES

With the access to additional funding from the Listing, the Group will strengthen its technological capabilities and invest in digital workforce platforms for its flexible staffing business, including the development of a flexible staffing system, which enables the Group to capture increased flexible staffing business opportunities and increase the size of its flexible staffing talent database; and the development of a training platform, which allows the Group to provide more upskill training to its employees, associates and clients.

The Group will continue to focus on the strategies to expand its business and market share, in particular the flexible staffing business, by hiring partners and consultants in support of its organic growth and through strategic merger and acquisitions. Looking forward, the Group will continue to expand its service offerings, particularly flexible staffing business, in its existing markets including Shanghai and Beijing. In addition, the Group will expand its geographic coverage by establishing presence in areas with strong economic fundamentals and large human resources service markets, such as second-tier cities of China and cities in Central China and Western China.

As for the overall performance, the Group will take active steps to improve its efficiency in order to deliver better financial results in 2019. Meanwhile, the Group will continue to strengthen its cash flow management by focusing on cash collection and maintaining liquidity, allowing the Group to get prepared for any potential volatility in this ever-changing market.

Amid the market turbulence and uncertainties in light of certain macroeconomic factors such as the US-China trade war and the slowdown of China gross domestic product (GDP) growth, the Group expects a slowdown in the growth of its headhunting and RPO businesses. Nevertheless, the Group is confident of its future prospects and is expected to continue its growth in overall revenue. As a token of appreciation to shareholders for their support, the Group expects to distribute dividend of approximately 35% to 45% of the annual profits of 2019.

PERFORMANCE HIGHLIGHTS

The Group provides comprehensive workforce solutions under four business lines, namely (i) flexible staffing; (ii) headhunting; (iii) RPO; and (iv) 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/ at 30 June	
	2019	2018
Flexible staffing		
Number of associate placed during the period	**17,500**	13,900
Number of candidate in flexible talent database *(in thousands)*	**1,100**	1,000
Headhunting		
Number of placement during the period	**2,100**	2,000
Number of headhunter	**460**	460
Number of candidate in headhunting database *(in thousands)*	**2,300**	1,800
RPO		
Number of placement during the period	**1,300**	1,000

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2019, the Group derived its revenue primarily from (i) workforce solution services, including flexible staffing, 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
	2019	2018	percentage
	RMB'000	*RMB'000*	
Revenue			
Workforce solution services			
Flexible staffing	**1,256,721**	928,190	35.4%
Headhunting	**136,332**	125,935	8.3%
RPO	**14,742**	14,565	1.2%
Other HR services	**33,797**	30,979	9.1%
Total	**1,441,592**	1,099,669	31.1%

The revenue of the Group increased by approximately 31.1% from RMB1,099.7 million for the six months ended 30 June 2018 to RMB1,441.6 million for the six months ended 30 June 2019. This increase was attributable to:

(i) the increase in revenue generated from flexible staffing from RMB928.2 million for the six months ended 30 June 2018 to RMB1,256.7 million for the six months ended 30 June 2019, primarily due to the increase in number of associate placed during the Period;

(ii) the increase in revenue generated from headhunting from RMB125.9 million for the six months ended 30 June 2018 to RMB136.3 million for the six months ended 30 June 2019, primarily due to the increase in number of successful placements made during the Period;

(iii) the increase in revenue generated from other HR services from RMB31.0 million for the six months ended 30 June 2018 to RMB33.8 million for the six months ended 30 June 2019, primarily due to the increase in revenue generated from government solution services during the Period.

During the six months ended 30 June 2019, 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
	2019	2018	percentage
	RMB'000	*RMB'000*	
Revenue			
The PRC	**705,144**	502,945	40.2%
Hong Kong and Macau	**337,094**	272,976	23.5%
Taiwan	**399,354**	323,748	23.4%
Total	**1,441,592**	1,099,669	31.1%

Cost of services

The Group's cost of services increased by approximately 34.7% from RMB849.6 million for the six months ended 30 June 2018 to RMB1,144.2 million for the six months ended 30 June 2019. This increase was generally in line with the increase in the Group's revenue.

Gross profit and gross profit margin

Gross profit represents revenue less cost of services. As a result of the foregoing, the Group's gross profit increased by approximately 19.0% from RMB250.0 million for the six months ended 30 June 2018 to RMB297.4 million for the six months ended 30 June 2019.

The Group's gross profit margin decreased from approximately 22.7% for the six months ended 30 June 2018 to approximately 20.6% for the six months ended 30 June 2019, primarily due to the increase in proportion of revenue generated from flexible staffing, which had a lower gross profit margin as compared to that of the Group's other business lines.

Selling and administrative expenses

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

The Group's selling expenses increased by approximately 12.1% from RMB169.3 million for the six months ended 30 June 2018 to RMB189.9 million for the six months ended 30 June 2019, primarily due to the increase in staff costs as a result of the expansion of the Group's flexible staffing business.

The Group's administrative expenses remained stable at RMB26.5 million and RMB26.7 million for the six months ended 30 June 2018 and 2019, respectively.

The Group's selling expenses accounted for approximately 15.4% and 13.2% of its total revenue for the six months ended 30 June 2018 and 2019, respectively, while the Group's administrative expenses accounted for approximately 2.4% and 1.9% of its total revenue for the six months ended 30 June 2018 and 2019, respectively. The decrease in both selling expenses and administrative expenses as a percentage of total revenue was primarily due to the improvement in operational efficiency.

Other income

The Group's other income primarily includes interest income on bank deposits. The Group's other income increased by approximately 121.6% from RMB1.6 million for the six months ended 30 June 2018 to RMB3.5 million for the six months ended 30 June 2019.

Other gains and losses

The Group's other gains and losses consist of net exchange gains and the change in fair value of the Group's structured deposits, which was presented as financial assets at fair value through profit or loss in the Group's condensed consolidated statement of financial position. The Group's other gains and losses decreased by approximately 57.6% from RMB4.0 million for the six months ended 30 June 2018 to RMB1.7 million for the six months ended 30 June 2019. This decrease was primarily due to the decrease in fair value gain arising from the structured deposits.

Share of loss of associates

The Group's share of loss of associates was primarily due to the losses incurred for the initial operations of certain of the Group's associates.

Income tax expense

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

The Group's income tax expense increased by approximately 47.7% from RMB12.0 million for the six months ended 30 June 2018 to RMB17.7 million for the six months ended 30 June 2019.

The Group's effective income tax rate for the six months ended 30 June 2019 was approximately 28.2%, compared to approximately 20.5% for the six months ended 30 June 2018. The increase of the effective income tax rate was primarily due to the listing expenses incurred for the Period, which was non-deductible for tax purposes.

Profit for the period attributable to owners of the Company from continuing operations

As a result of the foregoing, the Group's profit for the period attributable to owners of the Company from continuing operations decreased by approximately 8.5% from RMB40.4 million for the six months ended 30 June 2018 to RMB36.9 million for the six months ended 30 June 2019.

Profit for the period attributable to owners of the Company from discontinued operation

Profit for the period attributable to owners of the Company from discontinued operation decreased from RMB0.4 million for the six months ended 30 June 2018 to nil for the six months ended 30 June 2019 upon the disposal of Manpower & Reach Human Resource Service (Guangzhou) Co., Ltd on 12 December 2018 to a non-controlling shareholder of the Group.

Adjusted profit for the period attributable to owners of the Company from continuing operations*

The Group's adjusted profit for the period attributable to owner of the Company from continuing operations (excluding one-off listing expenses) increased by approximately 38.9% from RMB40.4 million for the six months ended 30 June 2018 to RMB56.1 million for the six months ended 30 June 2019.

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 2019, the Group's net current assets amounted to RMB473.9 million (31 December 2018: RMB548.5 million). Specifically, the Group's total current assets decreased from RMB952.3 million as at 31 December 2018 to RMB903.2 million as at 30 June 2019. The Group's total current liabilities increased by approximately 6.3% from RMB403.8 million as at 31 December 2018 to RMB429.3 million as at 30 June 2019. The decrease in net current assets was primarily due to the payment of dividend in June 2019.

Cash position

As at 30 June 2019, the Group had bank balances and cash, together with its restricted bank deposits, time deposits with original maturity over three months and structured deposits (presented as financial assets at fair value through profit or loss) of RMB408.4 million (31 December 2018: RMB506.0 million). The decrease in bank balances and cash was primarily due to the payment of dividend in June 2019.

Indebtedness

As at 30 June 2019, the Group had lease liabilities of RMB74.9 million (31 December 2018: Nil). The Group had no bank loans or convertible loans during the Period and as at 30 June 2019 (31 December 2018: Nil). As a result, the Group's gearing ratio (calculated as total bank and other borrowings divided by total equity) of the Company as at 30 June 2019 was nil (31 December 2018: Nil).

Pledge of assets

There was no pledge of the Group's assets as at 30 June 2019.

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$ and the net proceeds from the Listing are denominated in HK$, 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. 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 any hedge interest rate risk.

Credit risk

The Group's exposure to credit risks relates primarily to structured deposits, time deposits with original maturity over three months, restricted bank deposits and bank balances, trade and other receivables and amount due from ultimate holding company 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 within the Group. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of financial assets included in other receivables and amount due from ultimate holding company.

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 2019, the current ratio (calculated as total current assets divided by the total current liabilities) of the Group was 2.1 times (31 December 2018: 2.4 times).

CONTINGENT LIABILITIES

As at 30 June 2019, the Group had outstanding surety bonds of RMB98.3 million (31 December 2018: RMB129.0 million), for which restricted bank deposits and financial assets at fair value through profit or loss were pledged as required by certain clients of the Group.

COMMITMENTS

As at 30 June 2019, the Group did not have any significant capital and other commitments, long-term obligations or guarantee. (31 December 2018: Nil).

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 30 June 2019, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

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

During the six months ended 30 June 2019, the Group did not perform any material acquisition or disposal of subsidiaries, associated companies and joint ventures.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

There were no significant investment held by the Group as at 30 June 2019.

FUTURE PLANS FOR MATERIAL INVESTMENTS

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

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

As at the date of this announcement, net proceeds from the Listing and after consideration of over-allotment of approximately HK$524.0 million had not been utilised and are held in bank deposits and it is intended that they will be applied in the manner consistent with the proposed allocations as set out in the prospectus of the Company dated 27 June 2019 (the "**Prospectus**").

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 IT and excluding those for flexible staffing assignments. Associates refers to those who are assigned to work on client premises, typically under client instruction and supervision during the term of deployment. As at 30 June 2019, the Group employed approximately 1,300 own employees and approximately 17,500 associates.

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

As for the Group's associates, who are employed on a contract basis, are cross-trained in multiple aspects of staffing as the Group's 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 the ability to assist the Group's clients in different positions and departments, furthermore, it helps associates 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.

EVENTS AFTER THE END OF THE REPORTING PERIOD

(1) On 10 July 2019, the Company capitalised an amount of HK$1,350,979.2 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par of 135,097,920 shares for allotment and issue of the shares of the Company to the shareholders as of the date of passing of the resolution on a pro rata basis.

(2) On 10 July 2019, the Company issued 50,000,000 ordinary shares at HK$0.01 each pursuant to the global offering of the shares of the Company at the price of HK$9.90 per share and the Company's shares were listed on the Main Board of the Stock Exchange on the same date.

(3) On 2 August 2019, the over-allotment option was fully exercised and the Company issued additional 7,500,000 ordinary shares on 7 August 2019.

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 Listing Rules as its own code on corporate governance since the Listing.

The Company has complied with the Corporate Governance Code since the Listing up to the date of this announcement.

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 C.3 of the Corporate Governance Code. The primary duties of the Audit Committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board.

The Audit Committee consists of five members, including two non-executive Directors, namely Mr. Sriram CHANDRASEKAR and Mr. ZHAI Feng and three independent non-executive Directors, namely Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG. The chairman of the Audit Committee is Mr. Victor HUANG, who possesses appropriate professional qualifications. The Audit Committee had reviewed the interim results for the six months ended 30 June 2019. The condensed consolidated financial statements for the six months ended 30 June 2019 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company's Shares were listed on the Main Board of the Stock Exchange on 10 July 2019. Save for that the Company had issued new Shares in connection with the Listing as disclosed in this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company since the Listing and up to the date of this announcement.

INTERIM DIVIDEND

The Board declared and paid a final dividend of US$12.2 million (equivalent to approximately RMB83.8 million) to the owners of the Company in respect of the year ended 31 December 2018. The Board does not recommend the payment of interim dividend for the six months ended 30 June 2019 (for the six months ended 30 June 2018: Nil).

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix 10 to the Listing Rules 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 since the Listing up to the date of this announcement.

PUBLICATION OF INTERIM REPORT

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

On behalf of the Board
ManpowerGroup Greater China Limited
Yuan Jianhua
Executive Director,
Chief Executive Officer and President

Hong Kong, 27 August 2019

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

* *The adjusted profit for the period attributable to owners of the Company from continuing operations is not a measure of performance under IFRS. As a non-IFRS measure, such figure is presented because the Group's management believes such information will be helpful for investors in assessing the level of the Group's net profit by eliminating the effects of certain one-off or non-recurring item, namely, listing expenses. There are no other significant non-recurring or one-off items during the six months ended 30 June 2019. The use of the adjusted profit for the period attributable to owners of the Company from continuing operations has material limitations as an analytical tool, as it does not include all items that impact our profit for the relevant period from continuing operations.*