ManpowerGroup®

MANPOWERGROUP GREATER CHINA LIMITED

万宝盛华大中华有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2180)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

2019 RESULTS HIGHLIGHTS

– Total revenue was RMB3,041.5 million for the year ended 31 December 2019, representing an increase of approximately 22.1% from RMB2,491.5 million for the year ended 31 December 2018.

– Adjusted profit attributable to owners of the Company from continuing operations (excluding one-off listing expenses, impairment loss on goodwill and expenses in relation to share options granted during the year) was RMB135.0 million for the year ended 31 December 2019, increased by approximately 19.3% from RMB113.2 million for the year ended 31 December 2018.

– The Group had a total of 1,248 full time employees as at 31 December 2019. The average revenue generated per employee amounted to RMB2.4 million for the year ended 31 December 2019, increased by approximately 34.5% compared to the same period last year. The average adjusted profit generated per employee amounted to RMB0.1 million for the year ended 31 December 2019, increased by approximately 34.1% compared to the same period last year.

– Cash and bank deposits of the Group* amounted to RMB944.7 million as at 31 December 2019, representing an increase of approximately 86.7% from RMB506.0 million in the previous year.

– The Board recommended the payment of a final dividend in respect of the year ended 31 December 2019 of HK$0.27 per ordinary share (equivalent to approximately RMB0.24 per ordinary share) to the shareholders of the Company, in an aggregate amount of approximately HK$56 million (equivalent to approximately RMB50 million), representing approximately 45% of the Group's profit attributable to owners of the Company from continuing operations for the year ended 31 December 2019.

* *Cash and bank deposits of the Group comprises bank balances and cash, restricted bank deposits, time deposits with original maturity over three months and structured deposits.*

The board (the "**Board**") of directors (the "**Directors**") of ManpowerGroup Greater China Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2019 (the "**Relevant Year**").

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

BUSINESS REVIEW

A key milestone of the Group was marked in 2019 upon the listing of the Company's shares (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 July 2019 (the "**Listing Date**"). During the Relevant Year, the Group noticed a strong growth momentum of the human resources ("**HR**") industry across the People's Republic of China (the "**PRC**" or "**China**" but for geographical reference only excluding Taiwan, Macau and Hong Kong), the Hong Kong Special Administrative Region of the PRC ("**Hong Kong**"), the Macau Special Administrative Region of the PRC ("**Macau**") and Taiwan (collectively the "**Greater China Region**"), especially in the flexible staffing business sector in China and Taiwan. However, the macro environment had been challenging amid structural slowdown of the economy and the US-China trade war, suppressing short-term demands for some of the Group's services especially the headhunting business in the Greater China Region. Furthermore, social unrest in Hong Kong had affected the Group's higher-margin businesses, resulting in a smaller profit contribution from Hong Kong in the second half of 2019.

In 2019, the Group achieved total revenue of RMB3,041.5 million, representing an increase of approximately 22.1% as compared to 2018. Revenue generated from flexible staffing business grew by approximately 26.4% year-on-year to RMB2,685.2 million in spite of the negative impact of the escalating social unrest in Hong Kong which had lasted for more than half of the year. During the Relevant Year, adjusted profit attributable to owners of the Company from continuing operations increased to RMB135.0 million, representing a year-on-year growth of approximately 19.3%. The Board has proposed a final dividend for 2019 of HK$0.27 per ordinary share, representing approximately 45% of the Group's earnings per share attributable to ordinary equity holders of the Company.

Despite the challenging market conditions in Hong Kong, the Group continued its investment in China and Taiwan with a strong focus on flexible staffing business in 2019. The Group expanded the scale of its flexible staffing business during the Relevant Year in consistence with the plan of the use of proceeds from the Listing as stated in the Company's prospectus dated 27 June 2019 (the "**Prospectus**"). Total number of flexible staffing employees and partners increased substantially during the Relevant Year, mainly driven by a rapid team expansion in China. Total number of associates placed during the Relevant Year increased by approximately 9.7% from 31,000 in 2018 to approximately 34,000 in 2019, among which total number of associates placed in China grew significantly by approximately 65.0%.

During the Relevant Year, the Group streamlined its geographical operational structure in China with a view to accelerate its expansion and increase its market share in Southern, Central and Western China in addition to its strong market positions in tier-one cities such as Shanghai, Beijing and Hong Kong. In terms of industry development, the Group strengthened its business development in the new economy and technology sector, to which all of the Group's top five clients during the Relevant Year belong, increasing the number of clients from this sector by approximately 39.4% on a year-over-year basis. The Group further deepened its relationships with existing customers, of which revenue contribution from top five clients had increased by approximately 44.5% in 2019 as compared with last year. During the Relevant Year, the Group's top five clients accounted for approximately 27% of its total revenue.

Aligning with the technology-oriented development trend of the HR industry that is steering towards platformisation, crowdsourcing and digitalisation, the Group had accelerated its investment in research and development of the workforce platform and strengthened its internal technological infrastructure since the Listing. During the Relevant Year, the Group had restructured its information technology department and innovation product department, both of which are directly led by the chief executive officer of the Group, and had upgraded its internal operating system and optimised database infrastructure with a fast-growing talent pool of over 4.5 million at the end of 2019.

Dedicated to providing customised and professional services to its clients, the Group had received wide recognition in the Greater China Region with a number of testaments including "The Best Comprehensive HR Service Provider in Greater China" (大中華區最佳綜合人力資源服務機構) awarded by HRoot, "2019 Most Outstanding HR Service Provider" (年度最佳人力資源綜合服務機構) awarded by TopHR, "Best HR Award 2019 – Recruitment Agency of the Year" (2019最佳人力資源招聘機構) awarded by Bronze and "2019 Most Outstanding contribution Recruitment Partner" (2019傑出貢獻招聘合作夥伴獎) awarded by Home Credit. The Group was also ranked as one of the "2019 China Top 12 Flexible Staffing Service Providers" (2019中國靈活用工服務機構12強) by HR Excellence Center.

FUTURE OUTLOOK AND STRATEGIES FOR 2020

A Year with Opportunities and Challenges

2020 commenced with a worldwide outbreak of the novel coronavirus. Coupled with the uncertainties in global economy and volatility in financial market, the Group sees both opportunities and challenges in 2020.

With the outbreak of the coronavirus in early 2020, the business operations of the Group as well as that of its clients have been delayed temporarily after the Chinese New Year due to the quarantine policies and limited business activities across the Greater China Region. The Group believes the coronavirus outbreak will mainly affect the Group's recruitment services in the first half of the year and expects a full recovery of business activities depending on how soon the epidemic is under control with people resuming their normal lives. Undertaking the corporate social responsibility to help fight against the coronavirus, the Group has set up a public welfare fund of RMB1.38 million with its associate companies and donated RMB1 million to four hospitals in Hubei province in early February. The Group vows to proactively take part in the economic recovery of Wuhan and other areas in Hubei province, where they remain as the Group's key regions for future development.

Meanwhile, the Chinese government has implemented a series of policies to help the affected corporates to resume their operations and to alleviate economic impact from the coronavirus epidemic to stabilise employment. Such policies have been beneficial to the Group, its clients as well as the talents in the market. As a leading HR company, the Group is well-positioned to capture any opportunities from the restoration of economic activities and the delayed recruiting demands of its clients. More importantly, the concept of flexible staffing has gained popularity among corporates and entrepreneurs during the quarantine period when the work-from-home policy was widely adopted by corporations nationwide, accelerating the penetration of flexible staffing arrangements as a relatively new HR service in the market of China. Under the shadow of coronavirus, the first half of 2020 is expected to be challenging, but the Group believes that the gradual penetration of flexible staffing arrangements in China and the recovery of business demands after the pandemic will drive the growth of the Group in the near future.

In terms of business performance by region, the Group expects a strong momentum in China in 2020, driven by a currently low rate of penetration of flexible staffing business nationwide and the first mover advantage of the Group in the market, while the growth in Taiwan and Macau is expected to be steady. As for the Hong Kong market, the Group remains cautious over the political situation and coronavirus outbreak in the region.

Flexible Staffing as Strategic Focus in 2020

The strategic focus in 2020 will remain on flexible staffing business with strong emphasis on the China market, where the flexible staffing market is still in its early stage of development and is relatively fragmented. The Group believes that it will continue to benefit from the industry growth, with the support from its strong global brand name and leading market position.

To strengthen the synergy among service lines, of which it is one of the Group's key competitive advantages, the Group has been actively pushing through the strategic initiative of "All-in Staffing" internally since last year in order to promote cross-selling of flexible staffing services to existing clients and new clients, particularly those in the new economy and technology sector. The Group's workforce technology platforms and innovative services could further diversify the service offerings and improve competitive advantage. The Group is going to strengthen its market position in China through business development in the new economy and technology sector in Northern China, in particular Beijing, and to accelerate expansion into Southern, Central, and Western China to gain more market share and achieve economies of scale.

More Technology Investment on Workforce Platforms

Moving forward to 2020, the Group will continue to increase technology investment at a larger scale and faster pace focusing on flexible staffing arrangement. The Group aims at integrating various workforce products into its internal operating system and organisational structure in order to achieve a comprehensive workforce platform with efficient HR solutions, increasing the profitability across business lines.

First, on the recruitment technology aspect, the Group will invest in mobile recruitment solutions, a digitalised and artificial intelligence ("**AI**")-driven recruitment platform, and an integrated applicant tracking system product. Not only will these help the Group improve recruitment efficiency and competitiveness, but these will also strengthen the Group's position in the long run by equipping it with different work models. In December 2019, the Group launched a mobile-based talent portal (天天U才), which enables the swift and accurate matching between candidates and positions, thereby improving recruitment efficiency and growing its talent pool more rapidly. Following the success of 天天U才, the Group is going to launch its digitalised and AI-driven recruitment platform (天天U單) in the first half of 2020 with the concept of flexible staffing and the Group's "Alliance" strategy, bridging internal and external recruitment resources with the recruitment needs of its clients, and creating additional revenue streams for the Group.

Second, the Group will continue to promote the development and monetisation of flexible staffing service platforms. In the first quarter of 2020, the Group will launch the first version of a mobile-based staff service and development platform (天天U福), which is a one-stop employee value-adding platform providing welfare, career development, benefits and other services to the Group's associates and employees of its clients.

Third, the Group has launched the first phase of the "HR SaaS" platform, a product focusing on the specialised market of HR services in the Greater China Region. The Group offered the product for free to all its clients in support of the work-from-home policy during difficult times of the coronavirus outbreak and have received positive market feedback.

Last but not least, the Group will continue to develop its training and upskilling platforms including the training SaaS platform and "WoSkill" platform which specialises in professional skillsets.

Actively Seeking for Merger and Acquisitions and Cooperation Opportunities

In addition to organic growth, the Group will actively seek for strategic acquisitions and cooperation in 2020 to strengthen its leading position in the workforce solution market. The Group will continue to focus its mergers and acquisitions and cooperation strategy on flexible staffing business, in particular the businesses and opportunities that have potential in expanding the Group's flexible staffing service offerings and achieving synergy amongst different business lines.

The Group and Wind Information Technology Co. Ltd. ("**Wind Technology**") are in the process of setting up a joint venture to provide specialised expertise in the financial service industry under flexible staffing arrangement, which serves as a good example of the expansion of the Group's scope in flexible staffing to more sophisticated areas, and promoting flexible staffing services in the niche market of the financial service industry. The Group believes its diversified service offerings, abundant candidate resources and strong operational capabilities, combining with the extensive client network and competitive technological innovation of Wind Technology, will achieve synergy that creates more value for the shareholders of the Company (the "**Shareholders**").

KEY OPERATING METRICS

The Group provides comprehensive workforce solutions under four business lines, namely (i) flexible staffing; (ii) headhunting; (iii) recruiting process outsourcing ("**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 years or as at the dates indicated:

	2019	2018
Flexible staffing		
Number of associates placed during the year *(approximately)*	**34,000**	31,000
Number of candidates in flexible talent database as at the end of the year *(in thousands)*	**1,600**	1,400
Headhunting		
Number of placements placed during the year	**3,400**	4,100
Number of headhunters as at the end of the year	**360**	470
Number of candidates in headhunting database as at the end of the year *(in thousands)*	**2,400**	2,000
RPO		
Number of placements placed during the year	**3,100**	2,100
Overall		
Number of full time employees as at the end of the year	**1,248**	1,375
Average revenue generated per employee *(in RMB thousands)*	**2,437**	1,812
Average adjusted profit generated per employee *(in RMB thousands)*	**110**	82

FINANCIAL REVIEW

Revenue

During the Relevant Year, the Group derived its revenue primarily from (i) workforce solutions, 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 years indicated:

	For the year ended 31 December			
	2019		2018	
	RMB'000	***%***	*RMB'000*	*%*
Workforce Solutions				
Flexible staffing	**2,685,217**	**88.3**	2,124,304	85.3
Headhunting	**244,902**	**8.1**	272,343	10.9
RPO	**33,643**	**1.1**	30,143	1.2
Other HR Services	**77,751**	**2.5**	64,704	2.6
Total	**3,041,513**	**100.0**	2,491,494	100.0

The Group's revenue increased by approximately 22.1% to RMB3,041.5 million for the year ended 31 December 2019 from RMB2,491.5 million for the year ended 31 December 2018. This increase was attributable to:

(i) the increase in revenue generated from flexible staffing by approximately 26.4% to RMB2,685.2 million for the year ended 31 December 2019 from RMB2,124.3 million for the year ended 31 December 2018, primarily due to the increase in number of associates placed during the year as a result of the expansion of the Group's flexible staffing business in China; and

(ii) the increase in revenue generated from other HR services by approximately 20.2% to RMB77.8 million for the year ended 31 December 2019 from RMB64.7 million for the year ended 31 December 2018, primarily due to the increase in revenue generated from government solution services in Taiwan during the Relevant Year.

Such increase was partially offset by the decrease in revenue generated from headhunting by approximately 10.1% from RMB272.3 million for the year ended 31 December 2018 to RMB244.9 million for the year ended 31 December 2019, primarily due to the decrease in number of successful placements made during the Relevant Year in view of the macro-economic pressure.

During the Relevant Year, 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. The following table sets out a breakdown of the Group's revenue by geographic location for the years indicated:

	For the year ended 31 December			
	2019		2018	
	RMB'000	*%*	*RMB'000*	*%*
The PRC	**1,511,849**	**49.7**	1,179,587	47.3
Hong Kong and Macau	**698,390**	**23.0**	622,527	25.0
Taiwan	**831,274**	**27.3**	689,380	27.7
Total	**3,041,513**	**100.0**	2,491,494	100.0

Cost of services

The Group's cost of services consists of staff cost of flexible staffing arrangements and others such as subcontracting costs related to its headhunting services. The Group's cost of services increased by approximately 27.4% to RMB2,454.9 million for the year ended 31 December 2019 from RMB1,927.0 million for the year ended 31 December 2018. Such increase was generally in line with the revenue growth of the Group's flexible staffing business, primarily due to the expansion of the Group's flexible staffing business during the Relevant Year.

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 3.9% to RMB586.6 million for the year ended 31 December 2019 from RMB564.5 million for the year ended 31 December 2018. The Group recorded a smaller increase in gross profit than the increase in revenue for the year ended 31 December 2019, which was primarily due to (i) a smaller gross profit contribution by the Group's headhunting business affected by the macro-economic pressure; and (ii) a smaller gross profit contribution from Hong Kong especially from its higher margin businesses.

The Group's gross profit margin decreased to approximately 19.3% for the year ended 31 December 2019 from approximately 22.7% for the year ended 31 December 2018, 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.

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

	For the year ended 31 December		
	2019	2018	Change
	%	%	%
Workforce Solutions			
Flexible staffing	**11.3**	12.0	-0.7
Headhunting	**90.3**	91.4	-1.1
RPO	**85.2**	96.2	-11.0
Other HR Services	**42.2**	48.4	-6.2
Overall	**19.3**	22.7	-3.4

Gross profit margin of the Group's RPO business decreased by 11.0 percentage points to 85.2% for the year ended 31 December 2019 from 96.2% for the year ended 31 December 2018, which was primarily due to more direct costs incurred in relation to the subcontracted end-to-end RPO services. The gross profit margin of the Group's other business lines remained relatively stable during the Relevant Year.

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 remained stable at RMB336.3 million and RMB345.4 million for the years ended 31 December 2018 and 2019, respectively. The Group's administrative expenses increased by approximately 11.6% to RMB75.2 million for the year ended 31 December 2019 from RMB67.4 million for the year ended 31 December 2018, which was primarily due to professional expenses incurred upon the Listing.

The Group's selling expenses accounted for approximately 13.5% and 11.4% of its total revenue for the years ended 31 December 2018 and 2019, respectively, while the Group's administrative expenses accounted for approximately 2.7% and 2.5% of its total revenue for the years ended 31 December 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 and government grants. The Group's other income increased by approximately 251.6% to RMB10.9 million for the year ended 31 December 2019 from RMB3.1 million for the year ended 31 December 2018, which was primarily attributable to (i) the increase in interest income on bank deposits; and (ii) the increase in government grants as a result of the incentive subsidies received during the Relevant Year.

Other gains and losses

The Group's other gains and losses consist of impairment loss on goodwill, net exchange gains and the change in fair value of the Group's financial assets at fair value through profit or loss ("**FVTPL**"). The Group recorded other gains of RMB2.6 million for the year ended 31 December 2018, which was primarily attributable to the increase in fair value of the financial assets at FVTPL, partially offset by the net exchange loss. For the year ended 31 December 2019, the Group recorded other losses of RMB1.7 million, which was primarily attributable to the impairment loss on goodwill of Event Elite Production and Promotion Limited, an indirect subsidiary of the Company amounted to RMB6.2 million during the same year, partially offset by the increase in fair value of the Group's financial assets at FVTPL amounted to RMB3.7 million.

Finance costs

The Group's finance costs represent the interest that arose from lease liabilities upon the adoption of International Financial Reporting Standards ("**IFRSs**") 16 since 2019. For the year ended 31 December 2019, the interest on lease liabilities amounted to RMB2.5 million while there was no interest on lease liabilities for 2018. The Group had no bank loans or convertible loans during the Relevant Year.

Income tax expense

The Group's income tax expense primarily consists of PRC Enterprise Income Tax ("**EIT**"), Hong Kong Profits tax, Macau Complementary Tax and Taiwan Income Tax by its subsidiaries in the respective locations. The Group's income tax expense decreased by approximately 11.8% to RMB33.6 million for the year ended 31 December 2019 from RMB38.1 million for the year ended 31 December 2018. The Group's effective income tax rate decreased to 21.8% the year ended 31 December 2019 from 26.0% for the year ended 31 December 2018. Such decreases were primarily due to the withholding tax in respect of the dividend payment in Taiwan in 2018 whereas no such payment was made in 2019.

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

As a result of the foregoing, the Group's profit for the year attributable to owners of the Company from continuing operations increased by approximately 15.9% to RMB110.1 million for the year ended 31 December 2019 from RMB95.0 million for the year ended 31 December 2018.

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

Profit for the year attributable to owners of the Company from discontinued operation decreased from RMB3.1 million for the year ended 31 December 2018 to nil for the year ended 31 December 2019 upon the disposal of Manpower & Reach Human Resource Service (Guangzhou) Co., Ltd on 12 December 2018 to its non-controlling shareholder.

Adjusted profit attributable to owners of the Company from continuing operations

The Group's adjusted profit attributable to owners of the Company from continuing operations (excluding one-off listing expenses, impairment loss on goodwill and expenses in relation to share options granted during the year) increased by approximately 19.3% to RMB135.0 million for the year ended 31 December 2019 from RMB113.2 million for the year ended 31 December 2018.

Non-generally accepted accounting principles ("GAAP") 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 IFRSs. Adjusted profit attributable to owners of the Company takes out the impact of one-off listing expenses, impairment loss on goodwill and expenses in relation to share options granted during the year, which are not indicators for evaluating the actual performance of the Group's business. The management of the Group believes that such a non-GAAP measure provides additional information to investors and others in understanding and evaluating the consolidated results of operations in the same manner as the management of the Group. The following table sets forth a reconciliation between the profit for the year and adjusted profit for the year:

	For the year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company from continuing operations	**110,149**	95,040
Adjustment for:		
Listing expenses	**18,242**	18,195
Impairment loss on goodwill	**6,232**	–
Expenses in relation to share options granted	**352**	–
Adjusted profit for the year attributable to owners of the Company from continuing operations	**134,975**	113,235

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

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group expects to continue meeting its operating capital, capital expenditure and other capital needs with proceeds from the Listing and cash generated from operations. The Group currently does not have any plans for material additional external debt or equity financing and will continue to evaluate potential financing opportunities based on its need for capital resources and market conditions.

Net current assets

As at 31 December 2019, the Group's net current assets amounted to RMB1,017.8 million (31 December 2018: RMB548.5 million). Specifically, the Group's total current assets increased by approximately 54.4% to RMB1,470.7 million as at 31 December 2019 from RMB952.3 million as at 31 December 2018. The Group's total current liabilities increased by approximately 12.2% to RMB452.9 million as at 31 December 2019 from RMB403.8 million as at 31 December 2018. The increase in net current assets was primarily due to the increase in bank balances and cash as a result of the cash inflow from business operations and proceeds from the Listing.

Cash position

As at 31 December 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 FVTPL) of RMB944.7 million (31 December 2018: RMB506.0 million). Such increase was primarily due to the cash inflow from business operations and the net proceeds from the Listing.

Indebtedness

As at 31 December 2019, the Group had lease liabilities of RMB81.8 million (31 December 2018: nil). The Group had no bank loans or convertible loans during the year and as at 31 December 2019 (31 December 2018: nil). As a result, the Group's gearing ratio (calculated as total bank and other borrowings divided by total equity) as at 31 December 2019 was not calculated (31 December 2018: nil).

Pledge of assets

There was no pledge of the Group's assets as at 31 December 2019.

Financial risks

The Group's activities expose it to a variety of financial risks, including currency risk, interest rate risk, other price 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 United States dollars ("**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 is also exposed 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 risk. 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.

Other price risk

The Group is exposed to equity price risk through its unquoted investments measured at FVTPL and fair value through other comprehensive income ("**FVTOCI**"). The Group has appointed a special team to monitor the price risk and will consider hedging risk exposure should the need arise.

Credit risk

The Group's exposure to credit risks relates primarily to trade receivables, other receivables, amount due from ultimate holding company, amounts due from fellow subsidiaries, restricted bank deposits, time deposits with original maturity over three months and bank balances and cash 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.

The Group's concentration of credit risk by geographical location is mainly in the PRC, Hong Kong and Taiwan, which accounted for 48% (2018: 44%), 27% (2018: 29%), and 25% (2018: 27%) of the total trade receivables as at 31 December 2019 respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Other than the concentration of credit risk on restricted bank deposits, time deposits with original maturity over three months and bank balances and cash placed in banks in which the counterparties are financially sound, the Group has no significant concentration of credit risk, with exposure spreading over a number of counterparties.

Liquidity risk

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

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had outstanding performance bonds of RMB81.7 million (31 December 2018: RMB129.0 million), for which certain restricted bank deposits and financial assets at FVTPL were pledged as required by certain clients of the Group.

COMMITMENTS

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

USE OF PROCEEDS FROM THE LISTING

Net proceeds from the Listing (including the exercise of the over-allotment option), after deducting the underwriting commission and other estimated expenses in connection with the Listing which the Company received amounted to approximately RMB458.2 million. Up to the date of this announcement, the net proceeds received from the Listing have been used, and will continue to be used, in a manner consistent with the proposed allocations in the Prospectus.

An analysis of the utilisation of the net proceeds from the Listing Date up to 31 December 2019 is set out below:

	Planned use of net proceeds as stated in the Prospectus and after considering the additional net proceeds received from the exercise of over-allotment option	**Actual use of net proceeds up to 31 December 2019**	**Unutilised net proceeds as at 31 December 2019**
	RMB'000	*RMB'000*	*RMB'000*
Business expansion	137,451	18,135	119,316
Research and development	137,451	7,481	129,970
Future investments, strategic mergers and acquisitions	114,527	–	114,527
Brand building and digital marketing	22,924	2,009	20,915
General working capital	45,847	12,581	33,266
Total	458,200	40,206	417,994

EMPLOYEE AND REMUNERATION POLICY

The Group's employees include its own employees and associates. The Group's own employees refer to the employees for its operations, including finance and information technology and excluding those for flexible staffing assignments. Associates refers to those who are assigned to work on client premises, typically under client instruction and supervision during the term of deployment. As at 31 December 2019, the Group employed 1,248 own full time employees and approximately 34,000 associates.

The Group offers its own employee 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's associates are employed on a contract basis. The Company has adopted a share option scheme on 5 June 2019 as incentive for eligible employees.

EVENTS AFTER THE REPORTING PERIOD

The outbreak of novel coronavirus in the PRC, which subsequently spread through other regions including Hong Kong, Macau and Taiwan, has affected many businesses to different extents in early 2020. The respective governments in the PRC, Hong Kong, Macau and Taiwan had implemented different types and levels of precautionary measures in an attempt to curb the spread of the pandemic. Hence, the Group's ability to serve customers will largely depend on (i) the effectiveness of the government measures that have been implemented, (ii) continuous availability of workforce which may be affected by the temporary travel restrictions and home quarantine requirements, and (iii) customers' confidence and demand which may be influenced by the market sentiments and economic performances in different jurisdictions.

Save for the above, there were no material events undertaken by the Group subsequent to 31 December 2019 up to the date of this announcement.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

ANNUAL RESULTS

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended 31 December	
		2019	2018
	NOTES	***RMB'000***	*RMB'000*
Continuing operations			
Revenue	*3*	**3,041,513**	2,491,494
Cost of services		**(2,454,916)**	(1,926,981)
Gross profit		**586,597**	564,513
Selling expenses		**(345,354)**	(336,264)
Administrative expenses		**(75,225)**	(67,421)
Other income		**10,938**	3,070
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**1,410**	(227)
Other gains and losses		**(1,687)**	2,558
Finance costs		**(2,480)**	–
Share of loss of associates		**(1,926)**	(1,702)
Listing expenses		**(18,242)**	(18,195)
Profit before tax		**154,031**	146,332
Income tax expense	*4*	**(33,553)**	(38,067)
Profit for the year from continuing operations		**120,478**	108,265
Discontinued operation			
Profit for the year from discontinued operation		**–**	5,030
Profit for the year	*5*	**120,478**	113,295
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		**(278)**	(39)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**8,875**	28,921
Other comprehensive income for the year, net of tax		**8,597**	28,882
Total comprehensive income for the year		**129,075**	142,177

	NOTE	For the year ended 31 December 2019 RMB'000	2018 RMB'000
Profit for the year attributable to owners of the Company			
– from continuing operations		**110,149**	95,040
– from discontinued operation		**–**	3,116
Profit for the year attributable to owners of the Company		**110,149**	98,156
Profit for the year attributable to non-controlling interests			
– from continuing operations		**10,329**	13,225
– from discontinued operation		**–**	1,914
Profit for the year attributable to non-controlling interests		**10,329**	15,139
		120,478	113,295
Total comprehensive income for the year attributable to:			
Owners of the Company		**118,698**	124,804
Non-controlling interests		**10,377**	17,373
		129,075	142,177
Earnings per share	*7*		
From continuing and discontinued operations			
Basic *(RMB)*		**0.62**	0.65
Diluted *(RMB)*		**0.62**	N/A
From continuing operations			
Basic *(RMB)*		**0.62**	0.63
Diluted *(RMB)*		**0.62**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	NOTES	**2019**	2018
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property and equipment		**16,132**	13,833
Right-of-use assets		**81,535**	–
Goodwill		**64,411**	69,310
Other intangible assets		**45,206**	41,669
Interests in associates		**4,272**	6,198
Equity instruments at FVTOCI		**9,705**	9,705
Deferred tax assets		**2,781**	3,521
Other receivable		**11,533**	12,448
Deposits		**14,130**	14,710
Restricted bank deposits		**9,485**	9,299
Retirement benefit assets		**17**	388
		259,207	181,081
CURRENT ASSETS			
Trade and other receivables, deposits and prepayments	*8*	**513,356**	451,409
Amount due from ultimate holding company	*9*	**–**	4,159
Amounts due from fellow subsidiaries	*9*	**847**	–
Financial assets at FVTPL		**133,292**	87,279
Restricted bank deposits		**16,233**	32,410
Time deposits with original maturity over three months		**5**	147,184
Bank balances and cash		**806,967**	229,839
		1,470,700	952,280
CURRENT LIABILITIES			
Trade and other payables	*10*	**358,452**	343,748
Contract liabilities		**20,879**	12,821
Lease liabilities		**31,858**	–
Amount due to ultimate holding company	*9*	**10,372**	20,713
Amounts due to fellow subsidiaries	*9*	**949**	2,411
Tax payables		**30,413**	24,084
		452,923	403,777

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
NET CURRENT ASSETS	**1,017,777**	548,503
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,276,984**	729,584
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**7,923**	6,875
Lease liabilities	**49,986**	–
	57,909	6,875
NET ASSETS	**1,219,075**	722,709
CAPITAL AND RESERVES		
Share capital	**1,830**	125
Reserves	**1,155,829**	652,813
Equity attributable to owners of the Company	**1,157,659**	652,938
Non-controlling interests	**61,416**	69,771
TOTAL EQUITY	**1,219,075**	722,709

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
OPERATING ACTIVITIES		
Profit before tax	**154,031**	152,873
Adjustments for:		
Finance costs	**2,480**	–
Bank interest income	**(8,545)**	(2,739)
Dividend income	**(682)**	–
Depreciation of property and equipment	**4,526**	3,857
Depreciation of right-of-use assets	**32,345**	–
Amortisation of intangible assets	**2,705**	2,589
Gain on disposal of subsidiaries	**–**	(244)
Gain on disposal of property and equipment	**(59)**	(137)
Net fair value change in financial assets at FVTPL	**(3,675)**	(3,524)
Net imputed interest on consideration receivables	**(77)**	–
Impairment losses under ECL model, net of reversal	**(1,410)**	227
Impairment loss on goodwill	**6,232**	–
Share-based payment expense	**352**	–
Share of loss of associates	**1,926**	1,702
Operating cash flows before movements in working capital	**190,149**	154,604
Increase in trade and other receivables, deposits and prepayments	**(58,210)**	(109,584)
Decrease (increase) in amount due from ultimate holding company	**194**	(194)
Increase in amounts due from fellow subsidiaries	**(273)**	–
Increase in trade and other payables	**5,882**	60,130
Increase in contract liabilities	**7,851**	2,321
(Decrease) increase in amount due to ultimate holding company	**(9,175)**	9,118
Increase in amounts due to fellow subsidiaries	**58**	680
Decrease in retirement benefit assets	**371**	31
Cash generated from operations	**136,847**	117,106
Income tax paid	**(25,645)**	(38,562)
NET CASH FROM OPERATING ACTIVITIES	**111,202**	78,544

	For the year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
INVESTING ACTIVITIES		
Interest received	**8,545**	2,739
Dividend received	**682**	–
Purchases of property and equipment	**(6,783)**	(8,639)
Proceeds from disposal of property and equipment	**120**	366
Addition of other financial assets at FVTPL	**(21,069)**	–
Placement of structured deposits	**(544,891)**	(588,614)
Settlement of structured deposits	**523,622**	587,576
Placement of time deposits	**(702,378)**	(577,128)
Withdrawal of time deposits	**849,927**	654,565
Placement of restricted bank deposits	**(29,734)**	(47,241)
Withdrawal of restricted bank deposits	**45,725**	18,530
Repayment from non-controlling shareholders	**–**	1,305
Advance to ultimate holding company	**–**	(3,929)
Repayment from ultimate holding company	**3,966**	1,195
Advance to fellow subsidiaries	**(2,102)**	–
Repayment from fellow subsidiaries	**1,540**	–
Addition of investments in associates	**–**	(7,900)
Net cash outflow arising from disposal of subsidiaries	**–**	(20,983)
Settlement of consideration receivables from disposal of subsidiaries	**1,515**	–
Development costs paid	**(5,456)**	–
NET CASH FROM INVESTING ACTIVITIES	**123,229**	11,842

	For the year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
FINANCING ACTIVITIES		
Interest paid	**(2,480)**	–
Advance from ultimate holding company	**504**	1,328
Repayment to ultimate holding company	**(1,823)**	–
Advance from fellow subsidiaries	**1,290**	–
Repayment to fellow subsidiaries	**(2,815)**	(52)
Repayment to NCI shareholders	**–**	(5,085)
Dividends paid to NCI shareholders	**(18,732)**	(12,109)
Dividends paid	**(83,783)**	(148,484)
Repayment of lease liabilities	**(30,778)**	–
Proceeds from issue of new shares	**502,693**	–
Payment of transaction costs attributable to issue of new shares	**(30,935)**	–
Payment of deferred issue costs	**–**	(2,304)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**333,141**	(166,706)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**567,572**	(76,320)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**229,839**	286,774
Effect of foreign exchange rate changes	**9,556**	19,385
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	**806,967**	229,839

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

ManpowerGroup Greater China Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 26 September 2014. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 July 2019. The addresses of the Company's registered office and principal place of business in the PRC 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, PRC, respectively.

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The consolidated financial statements have been prepared in accordance with IFRSs issued by the International Accounting Standards Board ("**IASB**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

New and amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs and an interpretation issued by IASB for the first time in the current year:

International Financial Reporting Standard ("**IFRS**") 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to International Accounting Standard ("**IAS**") 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015–2017 Cycle

Except as described below, the application of the new and amendments to IFRSs and the interpretation in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has applied IFRS 16 for the first time in the current year. IFRS 16 superseded IAS 17 Leases, and the related interpretations.

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

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 lease payments by applying IFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Note	**Carrying amounts previously reported at 31 December 2018** *RMB'000*	**Adjustments** *RMB'000*	**Carrying amounts under IFRS 16 at 1 January 2019** *RMB'000*
Non-current asset				
Right-of-use assets		–	72,186	72,186
Current asset				
Trade and other receivables, deposits and prepayments	*(a)*	451,409	(1,201)	450,208
Current liability				
Lease liabilities		–	25,783	25,783
Non-current liability				
Lease liabilities		–	45,202	45,202

Note a: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

3. REVENUE AND SEGMENT INFORMATION

Segment information

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

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

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

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

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

   - Recruiting process outsourcing ("**RPO**") services 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 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 from continuing operations by operating and reportable segment:

Year ended 31 December 2019

	Workforce Solutions *RMB'000*	Other HR Services *RMB'000*	Total *RMB'000*
Continuing operations			
Segment revenue	**2,963,762**	**77,751**	**3,041,513**
Segment profit	**553,813**	**32,784**	**586,597**
Unallocated:			
Selling expenses			**(345,354)**
Administrative expenses			**(75,225)**
Other income			**10,938**
Impairment losses under ECL model, net of reversal			**1,410**
Other gains and losses			**(1,687)**
Finance costs			**(2,480)**
Share of loss of associates			**(1,926)**
Listing expenses			**(18,242)**
Profit before tax			**154,031**

Year ended 31 December 2018

	Workforce Solutions *RMB'000*	Other HR Services *RMB'000*	Total *RMB'000*
Continuing operations			
Segment revenue	2,426,790	64,704	2,491,494
Segment profit	533,214	31,299	564,513
Unallocated:			
Selling expenses			(336,264)
Administrative expenses			(67,421)
Other income			3,070
Impairment losses under ECL model, net of reversal			(227)
Other gains and losses			2,558
Share of loss of associates			(1,702)
Listing expenses			(18,195)
Profit before tax			146,332

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.

Disaggregation of revenue

Year ended 31 December 2019

	Workforce Solutions *RMB'000*	**Other HR Services** *RMB'000*	**Total** *RMB'000*
Continuing operations			
Types of service			
Flexible staffing	**2,685,217**	**–**	**2,685,217**
Headhunting	**244,902**	**–**	**244,902**
RPO	**33,643**	**–**	**33,643**
Others	**–**	**77,751**	**77,751**
	2,963,762	**77,751**	**3,041,513**
Timing of revenue recognition			
A point in time	**268,093**	**–**	**268,093**
Over time	**2,695,669**	**77,751**	**2,773,420**
	2,963,762	**77,751**	**3,041,513**

Year ended 31 December 2018

	Workforce Solutions *RMB'000*	Other HR Services *RMB'000*	Total *RMB'000*
Continuing operations			
Types of service			
Flexible staffing	2,124,304	–	2,124,304
Headhunting	272,343	–	272,343
RPO	30,143	–	30,143
Others	–	64,704	64,704
	2,426,790	64,704	2,491,494
Timing of revenue recognition			
A point in time	291,811	–	291,811
Over time	2,134,979	64,704	2,199,683
	2,426,790	64,704	2,491,494

4. INCOME TAX EXPENSE

	2019	2018
	RMB'000	*RMB'000*
Continuing operations		
Current tax:		
– PRC Enterprise Income Tax ("**EIT**")	**18,049**	18,546
– Hong Kong Profits Tax	**5,734**	7,847
– Macau Complementary Tax	**313**	129
– Taiwan Income Tax	**7,692**	6,841
– Taiwan dividend withholding tax	**–**	5,634
	31,788	38,997
Under(over)provision in prior years:		
– PRC EIT	**175**	–
– Hong Kong Profits Tax	**(107)**	(51)
	68	(51)
Deferred tax	**1,697**	(879)
	33,553	38,067

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

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

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No.7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2,000,000.

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

Taiwan Income Tax is calculated at 20% of the estimated assessable profit for both years. Under the relevant regulations in Taiwan, unappropriated earnings of subsidiaries in Taiwan is subject to a corporate surtax of 5%.

5. PROFIT FOR THE YEAR

	2019	2018
	RMB'000	*RMB'000*
Profit for the year from continuing operations has been arrived at after charging (crediting):		
Directors' emoluments		
Fees	**324**	–
Salaries, allowances and other benefits	**3,218**	2,926
Retirement benefit scheme contributions	**101**	95
Performance related bonus	**2,556**	2,491
Equity-settled share-based expense	**36**	–
	6,235	5,512
Other staff costs		
Salaries, allowances and other benefits	**2,207,405**	1,826,880
Retirement benefit scheme contributions	**284,667**	231,063
Equity-settled share-based expense	**316**	–
	2,492,388	2,057,943
Total staff costs	**2,498,623**	2,063,455
Depreciation of property and equipment	**4,526**	3,380
Depreciation of right-of-use assets	**32,345**	–
Amortisation of intangible assets	**2,705**	2,589
Gain on disposal of property and equipment	**(59)**	(137)
Research and development costs recognised as an expense (included in administrative expenses)	**5,451**	8,965

6. DIVIDEND

On 21 December 2018, an interim dividend of US$1,100 (equivalent to approximately RMB7,576) per share for the year ended 31 December 2018, in an aggregate amount of US$21.6 million (equivalent to approximately RMB148.5 million), was proposed by the directors of the Company and approved by the shareholders of the Company. The dividend was paid in December 2018.

During the year, a final dividend of US$12.2 million (equivalent to approximately RMB83.8 million) in respect of the year ended 31 December 2018 was declared and paid.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2019 of HK$0.27 per ordinary share, in an aggregate amount of approximately HK$56 million (equivalent to approximately RMB50 million), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

7. EARNINGS PER SHARE

For continuing operations

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

Earnings figures are calculated as follows:

	2019	2018
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company	**110,149**	98,156
Less: profit for the year from discontinued operation	**–**	(3,116)
Earnings for the purpose of basic and diluted earnings per share from continuing operations	**110,149**	95,040

Number of shares

	2019	2018
Weighted average number of ordinary shares for the purpose of basic earnings per share	**176,993,151**	150,000,000
Effect of dilutive potential ordinary shares:		
Over-allotment option issued by the Company	**66,586**	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**177,059,737**	N/A

The weighted average number of ordinary shares for the purpose of calculating basic and diluted 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 have been effective on 1 January 2018.

The computation of diluted earnings per share for the year ended 31 December 2019 did not assume the exercise of share options granted by the Company because the exercise price of those options was higher than the average market price for shares for 2019.

No diluted earnings per share for the year ended 31 December 2018 was presented as there were no potential ordinary shares in issue for 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:

	2019	2018
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	**110,149**	98,156

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

From discontinued operation

For the year ended 31 December 2018, basic earnings per share for the discontinued operation was RMB0.021, based on the profit for the year from the discontinued operation attributable to owners of the Company of approximately RMB3,116,000 and the denominators detailed above for basic earnings per share.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	2019	2018
	RMB'000	*RMB'000*
0–30 days	**436,220**	383,073
31–60 days	**22,685**	17,915
61–90 days	**7,748**	8,034
Over 90 days	**8,181**	3,645
	474,834	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 and fellow subsidiaries (trade related) at the end of the reporting period, presented based on the invoice date:

	Amount due from ultimate holding company		Amounts due from fellow subsidiaries	
	2019	2018	**2019**	2018
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
0–30 days	**–**	96	**137**	–
31–60 days	**–**	98	**28**	–
61–90 days	**–**	–	**67**	–
Over 90 days	**–**	–	**41**	–
	–	194	**273**	–

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	
	2019	2018	**2019**	2018
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
0–30 days	**736**	656	**116**	280
31–60 days	**743**	805	**38**	50
61–90 days	**650**	1,037	**38**	38
Over 90 days	**341**	9,147	**546**	312
	2,470	11,645	**738**	680

10. TRADE AND OTHER PAYABLES

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

	2019	2018
	RMB'000	*RMB'000*
0–30 days	**14,655**	13,308
31–60 days	**30**	343
61–90 days	**56**	1,180
91–120 days	**200**	293
	14,941	15,124

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the corporate governance code (the "**Corporate Governance Code**") contained in Appendix 14 to the Listing Rules as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable code provisions under the Corporate Governance Code since the Listing Date up to 31 December 2019 except for the followings:

Pursuant to code provision A.1.1 of the Corporate Governance Code, board meetings should be held at least four times a year at approximately quarterly intervals. As the Company was only listed on 10 July 2019, only two Board meetings were held during the period from 10 July 2019 to 31 December 2019. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision A.1.1 of the Corporate Governance Code.

Pursuant to code provision C.3.3(e)(i) of the Corporate Governance Code, members of the audit committee should liaise with the board and senior management and the audit committee must meet, at least twice a year, with the Company's auditor. As the Company was only listed on 10 July 2019, the audit committee of the Company (the "**Audit Committee**") only held one meeting during the period from 10 July 2019 to 31 December 2019. Going forward, the Audit Committee will fully comply with the requirement under code provision C.3.3(e)(i) of the Corporate Governance Code to convene at least two meetings in each financial year and meet the external auditor.

Further information about the corporate governance practices of the Company will be set out in the annual report of the Company for the year ended 31 December 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Since the Listing, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the "**Model Code**") as the guidelines for the Directors' dealings in the securities of the Company. Upon specific enquiries of all the Directors, each of them has confirmed that he/she had complied with all applicable code provisions under the Model Code since the Listing Date up to 31 December 2019.

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

REVIEW OF ACCOUNTS

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

The Audit Committee has discussed with the external auditor of the Company and reviewed the annual results and the consolidated accounts of the Group for the year ended 31 December 2019. The Audit Committee has agreed with the external auditor of the Company on the annual results of the Group for the year ended 31 December 2019.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save for the Company's initial public offering as described in the Prospectus and the additional 7,500,000 Shares allotted and issued through full exercise of the over-allotment option on 2 August 2019, the Group did not purchase, sell or redeem any of the listed securities of the Company during the period from the Listing Date up to 31 December 2019.

ANNUAL GENERAL MEETING

The 2020 annual general meeting is scheduled to be held on Monday, 29 June 2020. A notice convening the 2020 annual general meeting will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK$0.27 per ordinary share (equivalent to approximately RMB0.24 per ordinary share) payable in cash. The proposed final dividend is subject to the approval of the Shareholders at the Company's forthcoming annual general meeting to be held on Monday, 29 June 2020. The proposed final dividend will be declared and paid in Hong Kong dollars. Subject to the approval of the Shareholders at the Company's forthcoming annual general meeting, the proposed final dividend is expected to be paid on or around Monday, 20 July 2020.

CLOSURE OF REGISTER OF MEMBERS

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

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

The register of members will be closed from Tuesday, 23 June 2020 to Monday, 29 June 2020, both days inclusive, during which period no transfer of shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the forthcoming annual general meeting, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 22 June 2020.

For determining the entitlement to the proposed final dividend

The register of members will be closed from Saturday, 4 July 2020 to Thursday, 9 July 2020, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend for the Relevant Year, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 3 July 2020.

PUBLICATION OF ANNUAL RESULTS

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.manpowergrc.com. The Company's 2019 annual report will be despatched to Shareholders and published on the aforementioned websites in due course.

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

Hong Kong, 26 March 2020

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