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 2020

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 2020 (the "**Period**"), together with the comparative figures for the corresponding period of 2019 as well as selected explanatory notes as set out below. The unaudited condensed consolidated interim financial information for the Period has been reviewed by the audit committee of the Company (the "**Audit Committee**").

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		*Change in*
	2020	2019	*percentage*
	(RMB'000)	*(RMB'000)*	*%*
Revenue	**1,603,205**	1,441,592	11.2%*
Profit attributable to owners of the Company	**56,057**	36,926	51.8%
Adjusted profit attributable to owners of the Company	**57,010**	56,098	1.6%
Average revenue generated per employee	**1,498**	1,109	35.1%
Average adjusted profit generated per employee	**53.3**	43.2	23.4%
Net cash from operating activities	**88,864**	20,087	342.4%

* Revenue of Mainland China flexible staffing increased by approximately 39% in the first half of 2020 compared with the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The first half of 2020 has seen a global pandemic which has caused worldwide social and economic disruption. Despite the challenges posed by the COVID-19 outbreak and the government-mandated lockdowns, the Group recorded a strong growth in its flexible staffing business in Mainland China during the Period and maintained a broadly flat to positive growth in Taiwan and Hong Kong over a relatively high base of the same period last year. The challenging macro environment in the wake of the pandemic has, however, suppressed short-term demand for some of the Group's products, particularly its recruitment solution services including the headhunting and recruitment process outsourcing (the "**RPO**") services in the People's Republic of China ("**PRC**" or "**China**"), Hong Kong Special Administrative Region of the PRC ("**Hong Kong**"), Macau Special Administrative Region of the PRC ("**Macau**") and Taiwan (collectively referred as "**Greater China Region**"). In addition, the three waves of outbreak in Hong Kong had led to less profit contribution from the Group's higher-margin businesses in the region.

According to China Insight Consultancy, the Group is the largest player in the workforce solutions market in the Greater China Region, with revenues reaching RMB3.04 billion in 2019 and accounting for 1.71% of the market that year in the Greater China Region. The workforce solutions market has three segments: headhunting service market, RPO service market and flexible staffing market. The top 5 players accounted for 6.96% market share in 2019 in the Greater China Region.

Riding on this achievement, the Group continued to record growth in revenue amid the generally weak business sentiment. During the Period, the Group achieved a total revenue of RMB1,603.2 million, representing an increase of approximately 11.2% compared to the same period of 2019. Revenue generated from the flexible staffing business segment grew by approximately 20.0% on a year over year basis to RMB1,507.0 million, of which the flexible staffing revenue from Mainland China recorded an increase of approximately 39% compared with the same period last year. During the Period, net profit attributable to owners of the Company increased to RMB56.1 million, representing a growth of approximately 51.8% year over year. Adjusted net profit attributable to owners of the Company, after taking into account listing fee from last year and other one-off expenses, increased by approximately 1.6% on a year over year basis.

Despite the challenging market condition across the Greater China Region, the Group continued to expand its service offerings in Mainland China, particularly in the flexible staffing business in line with the use of proceeds stated in the prospectus of the Company dated 27 June 2019 (the "**Prospectus**"). The total number of flexible staffing employees and partners increased substantially during the Period, mainly as a result of the rapid team expansion in Mainland China. The total number of associates placed during the Period increased by 20.0% from approximately 17,500 as of 30 June 2019 to approximately 21,000 as of 30 June 2020, among which the total number of associates placed in Mainland China grew significantly by approximately 40.3%.

During the Period, the Group streamlined its geographical operational structures in Mainland China with a view to accelerating its expansion into under-penetrated regions in southern, central, and western China, such as Wuhan and Hangzhou, and bolstering its strong market position in tier-one cities such as Shanghai, Beijing, Guangzhou and Hong Kong. In addition, the Group strengthened its business development capabilities in the New Economy and Technology sector (being the sector to which its top 5 clients belong), with the number of clients from such sector increasing by around 200 compared with the end of 2019. During the Period, the Group remained committed to growing its existing accounts, with revenue contribution from its top 5 clients increasing by approximately 37.5% and accounting for approximately 32.0% of its total revenue for the Period. Furthermore, given the strong cash flow management and prudent risk control implemented by the Group, it was able to maintain a stable turnover days of trade receivable of 52.7 days for the Period, compared with 54.3 days of the same period last year despite the inevitable impact of the pandemic on the cashflow of certain clients of the Group.

In view of the industry trend towards platformisation, crowdsourcing and digitalisation, the Group has increased its investment in the research and development of workforce platform products and further strengthened its internal technological infrastructure.

The Group's first recruiting service product (天天U才), aimed at fast and accurate matching between candidates and positions to improve recruiting efficiency, was launched in December 2019. The Monthly Active User (MAU) in June 2020 had reached 32,000. The Group's collaborative platform (天天U單) was launched in April 2020 and as of 30 June 2020, had posted around 2,400 positions. The Group's other workforce platform product (天天U福) is a one-stop employee value-adding platform providing welfare, benefits and other services to its associates and the employees of its clients. Since its launch in January 2020, the platform has recorded over 10,000 registered members. In addition, the Group's HR SaaS platform (萬寶簡斯) focusing on specialised markets of human resources services has been on a trial run during the first half of this year and has integrated systems across Mainland China, Hong Kong, Taiwan and Macau. As of the end of June 2020, the Group's talent pool has reached a total number of around 5.5 million.

To do its part in the fight against the COVID-19 pandemic and fulfil its corporate social responsibility, the Group set up a RMB1.38 million Public Welfare Fund together with its associate companies in early February 2020. All of the funds have been donated to four hospitals in the Hubei province and the Hubei Youth Development Foundation. The Group is committed to promoting corporate social responsibility, and to that end, will endeavour to actively take part in the economic recovery of Wuhan and other areas in the Hubei province which the Group considers key regions for future development.

The Group's efforts in providing customized and professional services to its clients in the Greater China Region have been recognized with a number of awards, 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") by HRoot, "2020 Top100 Human Resources Service Organization" ("2020中國人力資源服務機構100強") by TopHR, "Best Contract Staffing Solution Agency" ("年度靈活用工解決方案機構獎") by Bronze, and "HR Tech China Best Service Providers" ("中國人力資源科技最佳服務機構") by HR Tech China.

FUTURE OUTLOOK AND STRATEGIES

Remain Cautiously Optimistic for the Rest of the Year

The global economy has become increasingly fragile and uncertain following the persistently unsettled and escalation of trade disputes and geo-political tensions around the world. The control measures over the COVID-19 pandemic in the Greater China Region has also brought changes to the business landscape. Despite the above, the Group remains cautiously optimistic on its outlook for the rest of the year.

In terms of its business performance in different regions, the Group expects to continue to see strong growth momentum in its flexible staffing business in Mainland China, driven by a low penetration rate, its first mover advantage in the market, and its strong cash flow management capability. The recovery of Taiwan will likely depend on its control of the pandemic, and given its nature as a small external economy which could be negatively impacted by the slowdown of western economies, the Group remains cautious on the region's outlook for the second half of 2020. In Hong Kong, the Group has strategically shifted the focus of its business away from the higher-margin, higher-volatility outdoor marketing and promotion business towards the more stable, longer-term traditional flexible staffing business since the second half of 2019, when the market became very challenging due to ongoing social unrest. By the end of the first half of this year, the transition was complete and the shift in business focus was able to partially offset the ongoing macroeconomic uncertainties in Hong Kong. The Group expects its Hong Kong business to deliver stable revenue growth and contribute a greater share to the Group's profit in the medium term.

Flexible Staffing as the Group's Strategic Focus in 2020

The Group's strategic focus in the second half of 2020 will remain on flexible staffing in Mainland China driven by organic growth, strategic investment and potential mergers and acquisitions (the "**M&A**"). The Group believes that it will continue to benefit from the industry growth momentum on the back of a strong global brand and leading market position.

On the organic growth front, the Group has been actively expanding its team capacity, promoting business development in the New Economy and Technology sector, and accelerating expansion into under-penetrated regions in southern, central, and western China to gain more market share and achieve greater economies of scale. To further strengthen the synergy between different product lines, which is one of its key competitive advantages, the Group has been actively promoting the "All in Staffing" initiative across all business lines within the Group since last year in order to encourage cross-selling of flexible staffing products to existing and new clients.

The Group's strategic investment in associate companies (the "**Manpower Plus Strategy**") across Mainland China has made impressive progress in the last two years. The cooperation with regional leading human resources companies has been helping the Group broaden its market reach, expand its client base and take advantage of the synergy between the parties in order to maximize shareholder value.

The joint venture between the Group and Wind Information Technology Co. Ltd. has been set up earlier this year and is now under operation. Its product (萬盛專家) providing expert consulting services with a focus on flexible staffing strategy and technology initiative has been launched as well. The Group's other M&A activities were delayed due to the travel restrictions in the first half of 2020. For the second half of 2020, the Group will actively consider opportunities for strategic acquisition and cooperation in order to strengthen its leadership position in the workforce solutions market.

The focus of the Group's M&A and cooperation strategy will remain on flexible staffing in Mainland China, especially on businesses and opportunities with the potential to broaden the Group's flexible staffing product offerings and create synergy between its different business lines.

More Technology Investment on Workforce Platforms

For the second half of 2020, the Group will continue to shore up its technology investment, with a focus on building an all-in-one workforce technology platform (職場+) based on its internal operating technology addressing three critical application scenarios of work, life and development covering the full life cycle of human resources services. The Group aims to embed its various technology products into three workforce technology platforms, namely the workplace platform, the employee services platform, and the development platform. By integrating these platforms with the Group's internal operating system and organizational structures, the Group will be able to provide more efficient workforce solutions to its clients, the employees of its clients, and its own associates.

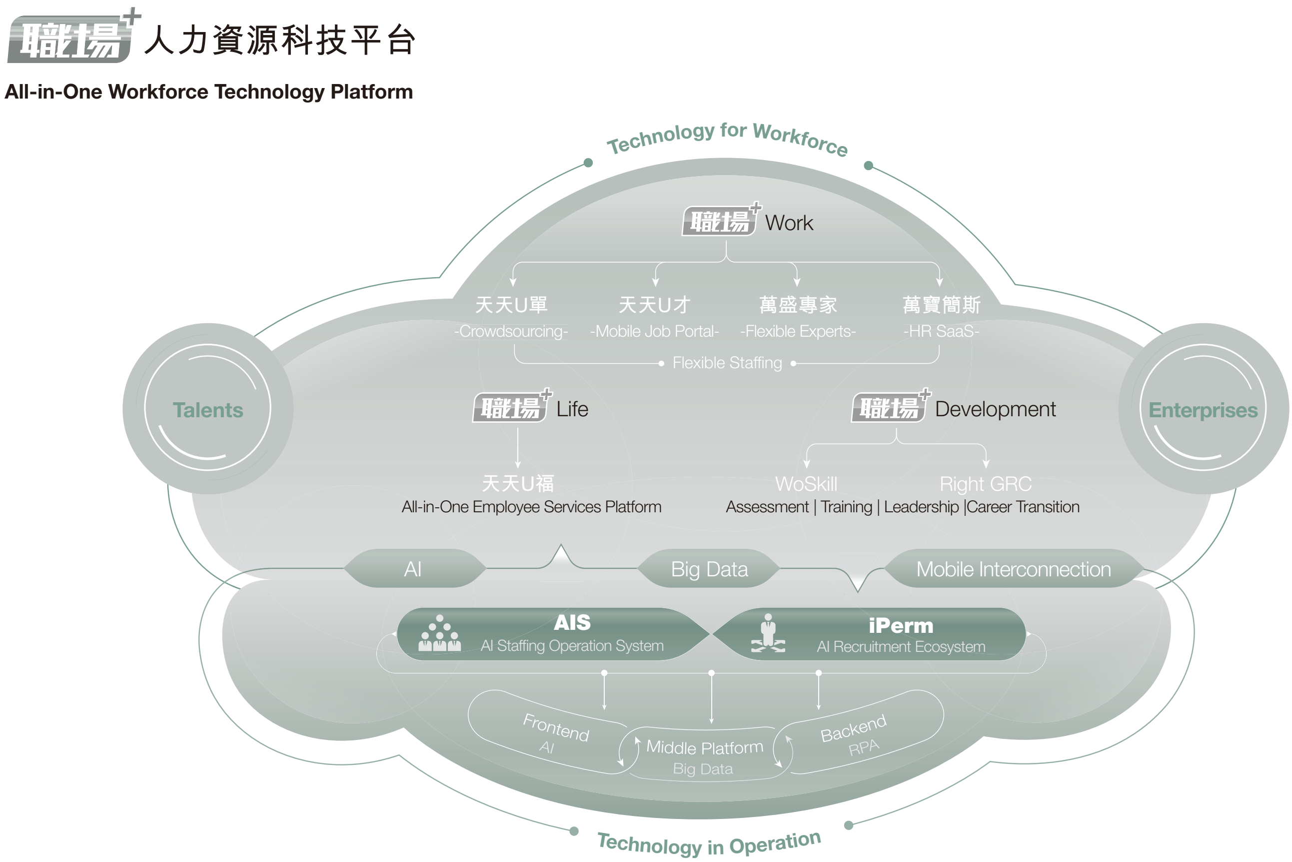
The workplace platform, which is built on the flexible staffing business model, is aimed at broadening the Group's flexible staffing product offerings, optimising recruitment efficiency, and providing comprehensive top-class human resources solutions. The workplace platform includes 天天U才, 天天U單, 萬盛專家 and 萬寶簡斯, utilising artificial intelligence technology and big data analysis to provide talent recruitment, crowdsourcing, flexible expert, and human resources management services in order to raise order fulfilling rate and achieve synergy between different business lines via the "system + service" model.

The employee services platform is focused on providing value-adding services to the Group's associates, the employees and its clients. The Group's all-in-one employee service platform 天天U福 provides various services to the Group's own associates and employees of its clients including benefits and perks, time sheet management, reimbursement, pay slip record, etc. to enhance the efficiency of employee management, promote work life balance and develop employee-friendly corporate culture.

The development platform specialises in employees' career development and skillset upgrades, and includes the "WoSkill" platform which mainly focuses on the improvement of professional skillsets, and the "Right GRC" platform which is aimed at leadership development of management-level employees.

The Group's internal operating technology platform, which serves as the tech-engine driving the Group's online and offline businesses, includes the "AIS Flexible Staffing Management Platform" and the "iPerm Recruitment System" covering the whole business process throughout the front office, the middle office and the back office to provide core recruitment competency for all business lines and fuel up the whole workforce ecology system.

The diagram below illustrates the blueprint of our All-in-One workforce technology platform (職場+):



Key Operation Metrics

The Group provides comprehensive workforce solutions under three business lines, namely (i) flexible staffing; (ii) recruitment solutions (including headhunting and RPO services); and (iii) other HR services, serving corporate and government clients across the Greater China Region. Given the fact that both headhunting and RPO services involve recruitment, with the focus of headhunting being the recruitment of middle to high-end talents and the focus of RPO services being the provision of large scale recruitment services, the Group has restructured its internal management and combined headhunting and RPO services into the business line "recruitment solutions" since the beginning of 2020. The Group believes that such arrangement has streamlined its organisational structure, improved its internal management efficiency and enhanced its responsiveness to clients' changing demands in integrated recruitment services. The following table sets forth the Group's key operating metrics for the periods or as at the dates indicated:

	Six months ended 30 June	
	2020	2019
Flexible staffing		
Number of associate placed during the period (approximately)	**21,000**	17,500
Number of candidate in flexible talent database (in thousands)	**1,700**	1,100
Recruitment solutions		
Number of placement during the period (approximately)	**2,400**	3,400
Number of candidate in recruitment services database (in thousands)	**3,860**	3,400
Number of recruiters (approximately)	**365**	540
Overall		
Number of full time employees (approximately)	**1,070**	1,300

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2020, the Group derived its revenue primarily from (i) workforce solution services, including flexible staffing, and recruitment solutions, including headhunting and RPO; and (ii) other HR services, including HR consultancy services, training and development, career transition, payroll services as well as government solutions. The following table sets out a breakdown of the Group's revenue by business line for the periods indicated:

	Six months ended 30 June		Change in
	2020	2019	percentage
	RMB'000	*RMB'000*	%
Revenue			
Workforce solution services			
Flexible staffing	**1,506,983**	1,256,721	19.9%
Recruitment solutions	**87,176**	151,074	(42.3%)
Other HR services	**9,046**	33,797	(73.2%)
Total	**1,603,205**	1,441,592	11.2%

The revenue of the Group increased by approximately 11.2% from RMB1,441.6 million for the six months ended 30 June 2019 to RMB1,603.2 million for the six months ended 30 June 2020. This increase was attributable to the increase in revenue generated from flexible staffing from RMB1,256.7 million for the six months ended 30 June 2019 to RMB1,507.0 million for the six months ended 30 June 2020, primarily due to the increase in number of associates placed during the Period.

Such increase was partially offset by (i) the decrease in revenue generated from recruitment solutions by 42.3% to RMB87.2 million for the six months ended 30 June 2020 from RMB151.1 million for the six months ended 30 June 2019, primarily due to the negative impact of the COVID-19 pandemic resulting in a decrease in the number of successful placements during the Period; (ii) the decrease in revenue generated from other HR services by 73.2% to RMB9.0 million for the six months ended 30 June 2020 from RMB33.8 million for the six months ended 30 June 2019, primarily due to the decrease in revenue from government solution services as a result of the outbreak of COVID-19 during the Period.

During the six months ended 30 June 2020, 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
	2020	2019	percentage
	RMB'000	*RMB'000*	%
Revenue			
The PRC	**862,895**	705,144	22.4%
Hong Kong and Macau	**334,337**	337,094	(0.8%)
Taiwan	**405,973**	399,354	1.7%
Total	**1,603,205**	1,441,592	11.2%

Cost of services

The Group's cost of services increased by approximately 18.7% from RMB1,144.2 million for the six months ended 30 June 2019 to RMB1,358.1 million for the six months ended 30 June 2020. This increase was higher than the increase in the Group's revenue mainly due to the expansion of Group's flexible staffing business in Mainland China with fast growing number of associates placed during the Period.

Gross profit and gross profit margin

Gross profit represents revenue less cost of services. The Group's gross profit decreased by approximately 17.6% from RMB297.4 million for the six months ended 30 June 2019 to RMB245.1 million for the six months ended 30 June 2020. The decrease in gross profit was primarily due to (i) the decrease in revenue generated from recruitment solutions across the Greater China Region given macroeconomic uncertainties and the negative impact of the COVID-19 outbreak which resulted in suppressed demand and a sharp decline in the number of successful placements during the Period; (ii) the decrease of revenue in Hong Kong as a result of the decline of the Group's higher profit margin business in the region due to the COVID-19 pandemic and continuous social unrest.

The Group's gross profit margin decreased from approximately 20.6% for the six months ended 30 June 2019 to approximately 15.3% for the six months ended 30 June 2020, primarily due to: (i) the increase in proportion of revenue generated from flexible staffing which had a lower gross profit margin but much faster growth rate compared to that of the Group's other business lines as a result of flexible staffing being the strategic focus of the Group; (ii) the decrease of the gross profit margin of the flexible staffing business in Hong Kong due to the negative impact of the COVID-19 outbreak; (iii) the decrease of the gross profit margin of the recruitment solutions business as a result of the suppressed demand on the back of the COVID-19 pandemic; (iv) the increase of the gross profit margin of the Group's other HR services by 26.4% to 71.8% for the six months ended 30 June 2020 from 45.4% for the six months ended 30 June 2019, primarily due to the decrease of the number of government solutions, which has a lower profit margin compared with that of other services, as a result of the COVID-19 pandemic.

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

	Six months ended 30 June		
	2020	2019	Change
	(%)	*(%)*	*(%)*
Workforce solution services			
Flexible staffing	**10.6**	11.4	(0.8)
Recruitment solutions	**90.5**	91.7	(1.2)
Other HR services	**71.8**	45.4	26.4
Overall	**15.3**	20.6	(5.3)

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 decreased by approximately 19.0% from RMB189.9 million for the six months ended 30 June 2019 to RMB153.9 million for the six months ended 30 June 2020, primarily due to the restructure of the Group's internal management by combining the headhunting and RPO business lines into a single recruitment solutions business line which led to a decrease in the number of partners and consultants in recruitment services and staff costs.

The Group's administrative expenses decreased by approximately 17.7% from RMB26.7 million for the six months ended 30 June 2019 to RMB22.0 million for the six months ended 30 June 2020, primarily due to the improvement in efficiency of operation caused by investment in operating technology and cost control programs during the Period.

The Group's selling expenses accounted for approximately 13.2% and 9.6% of its total revenue for the six months ended 30 June 2019 and 2020, respectively, while the Group's administrative expenses accounted for approximately 1.9% and 1.4% of its total revenue for the six months ended 30 June 2019 and 2020, 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 dividend income from equity instruments. The Group's other income increased by approximately 104.9% from RMB3.5 million for the six months ended 30 June 2019 to RMB7.1 million for the six months ended 30 June 2020.

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 increased by approximately 2.2% from RMB1.72 million for the six months ended 30 June 2019 to RMB1.75 million for the six months ended 30 June 2020. This increase was primarily due to the increase in fair value gain arising from the structured deposits.

Share of profit of associates

The Group's share of profit of associates amounted to RMB1.1 million for the six months ended 30 June 2020. During the Period, all the associates in which the Group invested under Manpower Plus Strategy in previous years have turned around and made profits in contrast to the total loss of RMB1.4 million incurred during the same period last year. Only the new associate company in which the Group invested in early 2020, Hainan Wan Sheng Zhi Hui Technology Co. Ltd., made a small loss during the Period.

Income tax expense

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

The Group's income tax expense decreased by approximately 6.0% from RMB17.7 million for the six months ended 30 June 2019 to RMB16.6 million for the six months ended 30 June 2020.

The Group's effective income tax rate for the six months ended 30 June 2020 was approximately 21.5%, compared to approximately 28.2% for the six months ended 30 June 2019. The decrease of the effective income tax rate was primarily due to the Listing expenses incurred for the six months ended 30 June 2019, which was non-deductible for tax purposes.

Profit for the period attributable to owners of the Company

As a result of the foregoing, the Group's profit for the period attributable to owners of the Company from continuing operations increased by approximately 51.8% from RMB36.9 million for the six months ended 30 June 2019 to RMB56.1 million for the six months ended 30 June 2020.

Adjusted profit for the period attributable to owners of the Company

The Group's adjusted profit for the period attributable to owners of the Company from continuing operations (excluding one-off Listing expenses and expenses in relation to stock options granted) increased by approximately 1.6% from RMB56.1 million for the six months ended 30 June 2019 to RMB57.0 million for the six months ended 30 June 2020.

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 2020, the Group's net current assets amounted to RMB1,034.7 million (31 December 2019: RMB1,017.8 million). Specifically, the Group's total current assets increased from RMB1,470.7 million as at 31 December 2019 to RMB1,542.1 million as at 30 June 2020. The Group's total current liabilities increased by approximately 12.1% from RMB452.9 million as at 31 December 2019 to RMB507.5 million as at 30 June 2020. The increase in net current assets was primarily due to the increase in bank balances and cash as a result of cash inflow from business operations.

Cash position

As at 30 June 2020, the Group had bank balances and cash, together with its restricted bank deposits, time deposits with original maturity over three months and structured deposits (presented as financial assets at fair value through profit or loss) of RMB1,019.3 million (31 December 2019: RMB944.7 million). The increase in bank balances and cash was primarily due to the cash inflow from business operations.

Indebtedness

As at 30 June 2020, the Group had lease liabilities of RMB66.1 million (31 December 2019: RMB81.8 million). The Group had no bank loans or convertible loans during the Period and as at 30 June 2020 (31 December 2019: Nil). As a result, the Group's gearing ratio (calculated as total bank and other borrowings divided by total equity) as at 30 June 2020 was not calculated (31 December 2019: Nil).

Pledge of assets

As disclosed under the section headed "Contingent liabilities", as at 30 June 2020, the Group had pledged its time deposit in an amount of RMB39.5 million.

Financial risks

The Group's activities expose it to a variety of financial risks, including currency risk, interest rate risk, credit risk and liquidity risk. Generally, the Group introduces conservative strategies on its risk management and has not used any derivatives and other instruments for hedging purposes.

Currency risk

The inter-company balances of the Company and certain subsidiaries are denominated in US$, which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the Group will closely monitor its foreign exchange exposure and will consider hedging of significant foreign currency exposure should the need arise.

Interest rate risk

The Group's exposure to fair value interest rate risks relates primarily to the Group's fixed – rate time deposits with original maturity over three months. The Group also exposes to cash flow interest rate risk in relation to variable rate restricted bank deposits and bank balances. The Group has not used derivative financial instruments to hedge any interest rate risks.

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 2020, the current ratio (calculated as total current assets divided by the total current liabilities) of the Group was 3.0 times (31 December 2019: 3.2 times).

CONTINGENT LIABILITIES

As at 30 June 2020, the Group had outstanding surety bonds of RMB39.5 million (31 December 2019: RMB81.7 million), comprising restricted bank deposits and financial assets at fair value through profit or loss, all of which were pledged as required by certain clients of the Group.

COMMITMENTS

As at 30 June 2020, the Group did not have any significant capital and other commitments, long-term obligations or guarantee. (31 December 2019: Nil).

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 30 June 2020, 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 2020, there were no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

The Group had no significant investments with a value of 5% or above of the Group's total assets as at 30 June 2020.

FUTURE PLANS FOR MATERIAL INVESTMENTS

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

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

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

The table below sets forth the utilisation of the net proceeds up to 30 June 2020:

Categories	**Specific Plans**	**Expected timeline as stated in the Prospectus** *(Note)*	**Planned use of net proceeds as stated in the Prospectus and after considering the additional net proceeds from the exercise of over-allotment option**	**Unutilised net proceeds as at 31 December 2019**	**Utilised net proceeds during the Period**	**Actual use of net proceeds up to 30 June 2020**	**Expected use of net proceeds up to 30 June 2021**
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Business expansion	Expand our business scale and market share	12 to 24 months from 10 July 2019 (the "**Listing Date**")	137,451 (30% of total net proceeds)	119,316	15,072	33,207	104,244
Research and development	Invest in a digital workforce platform,	12 to 24 months from the Listing Date	137,451 (30% of total net proceeds)	129,970	13,032	20,513	116,938
Future investments, strategic mergers and acquisitions	Pursue strategic acquisition and investment opportunities	12 to 24 months from the Listing Date	114,527 (25% of total net proceeds)	114,527	9,800	9,800	104,727
Brand building and digital marketing	Investment in offline brand building and digital marketing to increase brand awareness	12 to 24 months from the Listing Date	22,924 (5% of total net proceeds)	20,915	2,069	4,078	18,846
Working capital	Working capital and other general corporate purposes	–	45,847 (10% of total net proceeds)	33,266	17,953	30,534	15,313
Total			458,200 (100% of total net proceeds	417,994	57,926	98,132	360,068

Note: As at the date of this announcement, the Group has not deviated from the expected timeline as stated in the Prospectus and intends to apply the unutilised net proceeds in the manner set out above.

Though the Group's expansion plans have been temporarily curtailed by the pandemic, particularly the restrictions in travel within the Greater China Region, as at the date of this announcement, the Group remains on track to meet the net proceeds utilisation timeline disclosed in the Prospectus. Such timeline was devised based on the then best estimation of future market conditions and the development of the Group's business and industry. As at the date of this announcement, with regional resumption of business travel and activities on the horizon, the Directors are not aware of any material change to the proposed allocation and expected utilisation timeline of the net proceeds.

EMPLOYEE AND REMUNERATION POLICY

The Group's employees include its own employees and associates. Own employees refer to the employees for the Group's operations, including finance and information technology and excludes 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 2020, the Group employed approximately 1,070 own employees and approximately 21,000 associates.

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

The Group's associates, who are employed on a contract basis, are cross-trained in multiple aspects of staffing as the Group'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 with the ability to assist the Group's clients in different positions and departments, and helps them find better positions through talent upskill.

The Company adopted a share option scheme on 5 June 2019 as an incentive for eligible employees and Directors of the Group, details of which are set out in the section headed "D. Other Information – 1. Share Option Scheme" in Appendix IV to the Prospectus.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no material events undertaken by the Group subsequent to 30 June 2020 up to the date of this announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the holders (the "**Shareholders**") of the shares (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 during the six months ended 30 June 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") on 5 June 2019 with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision 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. John Thomas MCGINNIS and Mr. ZHAI Feng and three independent non-executive Directors, namely Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG. The chairman of the Audit Committee is Mr. Victor HUANG, who possesses appropriate professional qualifications. The Audit Committee had reviewed the interim results for the six months ended 30 June 2020. The condensed consolidated financial statements for the six months ended 30 June 2020 has not been audited but has been reviewed by Deloitte Touche Tohmatsu, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2020

		Six months ended 30 June	
		2020	2019
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Continuing operations			
Revenue	*3*	**1,603,205**	1,441,592
Cost of services		**(1,358,105)**	(1,144,183)
Gross profit		**245,100**	297,409
Selling expenses		**(153,901)**	(189,906)
Administrative expenses		**(21,953)**	(26,671)
Other income		**7,138**	3,483
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**105**	(1,139)
Other gains and losses		**1,754**	1,717
Finance costs		**(2,083)**	(1,727)
Share of profit (loss) of associates		**1,143**	(1,411)
Listing expenses		**–**	(19,172)
Profit before tax		**77,303**	62,583
Income tax expense	*4*	**(16,591)**	(17,659)
Profit for the period	*5*	**60,712**	44,924
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Actuarial gains (losses) from remeasurement of defined benefit obligations, net of tax		**127**	(245)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**19,016**	(5,612)
Other comprehensive income (expense) for the period, net of tax		**19,143**	(5,857)
Total comprehensive income for the period		**79,855**	39,067

	NOTES	Six months ended 30 June **2020** *RMB'000* (unaudited)	2019 *RMB'000* (unaudited)
Profit for the period attributable to:			
Owners of the Company		**56,057**	36,926
Non-controlling interests		**4,655**	7,998
		60,712	44,924
Total comprehensive income for the period attributable to:			
Owners of the Company		**71,480**	31,642
Non-controlling interests		**8,375**	7,425
		79,855	39,067
Earnings per share	*7*		
Basic (RMB)		**0.27**	0.25
Diluted (RMB)		**0.27**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	NOTES	At 30 June 2020 RMB'000 (unaudited)	At 31 December 2019 RMB'000 (audited)
NON-CURRENT ASSETS			
Property and equipment		**15,189**	16,132
Right-of-use assets		**65,823**	81,535
Goodwill		**65,748**	64,411
Other intangible assets		**55,208**	45,206
Interests in associates		**13,616**	4,272
Equity instruments at fair value through other comprehensive income		**9,705**	9,705
Deferred tax assets		**1,948**	2,781
Other receivable		**5,458**	11,533
Deposits		**17,844**	14,130
Restricted bank deposits		**9,671**	9,485
Retirement benefit assets		**180**	17
		260,390	259,207
CURRENT ASSETS			
Trade and other receivables, deposits and prepayments	*8*	**509,657**	513,356
Amounts due from fellow subsidiaries	*9*	**954**	847
Financial assets at fair value through profit or loss		**151,710**	133,292
Restricted bank deposits		**29,840**	16,233
Time deposits with original maturity over three months		**271,336**	5
Bank balances and cash		**578,651**	806,967
		1,542,148	1,470,700
CURRENT LIABILITIES			
Trade and other payables	*10*	**420,332**	358,452
Contract liabilities		**32,688**	20,879
Lease liabilities		**29,262**	31,858
Amount due to ultimate holding company	*9*	**10,017**	10,372
Amounts due to fellow subsidiaries	*9*	**664**	949
Tax payables		**14,507**	30,413
		507,470	452,923

	NOTES	At 30 June 2020 RMB'000 (unaudited)	At 31 December 2019 RMB'000 (audited)
NET CURRENT ASSETS		**1,034,678**	1,017,777
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,295,068**	1,276,984
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**9,488**	7,923
Lease liabilities		**36,881**	49,986
		46,369	57,909
NET ASSETS		**1,248,699**	1,219,075
CAPITAL AND RESERVES			
Share capital		**1,830**	1,830
Reserves		**1,177,078**	1,155,829
Equity attributable to owners of the Company		**1,178,908**	1,157,659
Non-controlling interests		**69,791**	61,416
TOTAL EQUITY		**1,248,699**	1,219,075

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	**88,864**	20,087
INVESTING ACTIVITIES		
Interest received	**5,695**	2,621
Dividend received	**682**	682
Purchases of property and equipment	**(1,321)**	(2,120)
Proceeds from disposal of property and equipment	**–**	2
Placement of structured deposits	**(186,000)**	(264,891)
Settlement of structured deposits	**169,401**	264,891
Placement of time deposits	**(269,225)**	(693,375)
Withdrawal of time deposits	**–**	838,673
Placement of restricted bank deposits	**(29,600)**	(13,263)
Withdrawal of restricted bank deposits	**16,000**	44,708
Repayment from ultimate holding company	**–**	228
Repayment from fellow subsidiaries	**434**	–
Addition of investments in associates	**(9,800)**	–
Return of capital from an associate	**1,599**	–
Settlement of consideration receivables from disposal of subsidiaries	**1,650**	1,515
Development costs paid	**(10,624)**	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(311,109)**	179,671
FINANCING ACTIVITIES		
Interest paid	**(2,083)**	(1,727)
Repayment to ultimate holding company	**–**	(851)
Advance from fellow subsidiaries	**52**	–
Repayment to fellow subsidiaries	**(263)**	(1,554)
Dividends paid to NCI shareholders	**–**	(12,008)
Dividends paid	**–**	(83,783)
Repayment of lease liabilities	**(16,494)**	(14,310)
Payment of deferred issue costs	**–**	(3,518)
CASH USED IN FINANCING ACTIVITIES	**(18,788)**	(117,751)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(241,033)**	82,007
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**806,967**	229,839
Effect of foreign exchange rate changes	**12,717**	(1,761)
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	**578,651**	310,085

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

1. GENERAL AND BASIS OF PREPARATION

ManpowerGroup Greater China Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 26 September 2014. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 July 2019. The addresses of the Company's registered office and principal place of business in the PRC are PO Box 309, Ugland House, Grand Cayman, KY11104, Cayman Islands and 36/F, Xin Mei Union Square, No. 999, Pudong Road (S), Pudong District, Shanghai, PRC, respectively.

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

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

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting issued by the International Accounting Standards Board ("**IASB**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

1A. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

The outbreak of COVID-19 and the subsequent quarantine measures as well as the travel restrictions imposed by many countries have had negative impacts to the global economy, business environment and directly and indirectly affect the operations of the Group. The governments of Mainland China, Hong Kong, Macau and Taiwan have announced some financial measures and supports for corporates to overcome the negative impact arising from the pandemic and certain lessors have provided rent concessions to the Group. 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. As such, the financial positions and performance of the Group were affected in different aspects, including government grants in respect of COVID-19-related subsidies and rent concessions from certain lessors as disclosed in the relevant notes.

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 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 2020 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2019.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to IFRS 16 COVID-19 Related Rent Concessions.

Except as described below, the application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs 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.

2.1 Impacts and accounting policies on early application of Amendment to IFRS 16 COVID-19-Related Rent Concessions

2.1.1 Accounting policies

Leases

COVID-19-related rent concessions

Regarding rent concessions relating to lease contracts that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 Leases if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

2.1.2 Transition and summary of effects

The Group has early applied the amendment in the current interim period. The application has no impact to the opening retained profits at 1 January 2020. The Group recognised changes in lease payments that resulted from rent concessions of approximately RMB170,000 in the profit or loss for the current interim period.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.2 Accounting policies newly applied by the Group

In addition, the Group has applied the following accounting policy which became relevant to the Group in the current interim period.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants relate to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Grants relating to compensation of expenses in respect of COVID-19-related subsidies are deducted from the related expenses.

3. REVENUE AND SEGMENT INFORMATION

Segment information

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

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

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

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

   - Recruitment solutions services include recruitment process outsourcing management services and recruitment services. The Group assists customers' hiring process, which include candidate assessments, screening, conducting candidate interviews and recommending suitable candidates for job vacancies, providing sourcing technology, and providing the Group's marketing and recruiting expertise.

2. Other Human Resource ("**HR**") Services – the Group provides 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 by operating and reportable segment:

Six months ended 30 June 2020

	Workforce Solutions *RMB'000* **(unaudited)**	**Other HR Services** *RMB'000* **(unaudited)**	**Total** *RMB'000* **(unaudited)**
Segment revenue	**1,594,159**	**9,046**	**1,603,205**
Segment profit	**238,602**	**6,498**	**245,100**
Unallocated:			
Selling expenses			**(153,901)**
Administrative expenses			**(21,953)**
Other income			**7,138**
Impairment losses under ECL model, net of reversal			**105**
Other gains and losses			**1,754**
Finance costs			**(2,083)**
Share of profit of associates			**1,143**
Profit before tax			**77,303**

Six months ended 30 June 2019

	Workforce Solutions *RMB'000* (unaudited)	Other HR Services *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
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

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	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PRC	**862,895**	705,144
Hong Kong and Macau	**334,337**	337,094
Taiwan	**405,973**	399,354
	1,603,205	1,441,592

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 profit (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 2020

	Workforce Solutions *RMB'000* (unaudited)	Other HR Services *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Types of service			
Flexible staffing	**1,506,983**	**–**	**1,506,983**
Recruitment solutions	**87,176**	**–**	**87,176**
Others	**–**	**9,046**	**9,046**
	1,594,159	**9,046**	**1,603,205**
Timing of revenue recognition			
A point in time	**83,366**	**–**	**83,366**
Over time	**1,510,793**	**9,046**	**1,519,839**
	1,594,159	**9,046**	**1,603,205**

Six months ended 30 June 2019

	Workforce Solutions *RMB'000* (unaudited)	Other HR Services *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Types of service			
Flexible staffing	1,256,721	–	1,256,721
Recruitment solutions	151,074	–	151,074
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

4. INCOME TAX EXPENSE

During the six months ended 30 June 2020, the Group had recognised current tax expense of approximately RMB16,823,000 (six months ended 30 June 2019: RMB17,912,000) and deferred tax credit of approximately RMB232,000 (six months ended 30 June 2019: RMB253,000).

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Directors' emoluments		
Fees	360	–
Salaries, allowances and other benefits	1,609	1,463
Retirement benefit scheme contributions	42	50
Performance related bonus	1,624	1,563
Equity-settled share based expense	153	–
	3,788	3,076
Depreciation of property and equipment	2,399	1,838
Depreciation of right-of-use assets	16,513	15,560
Expenses related to short-term leases	53	–
Amortisation of intangible assets	1,392	1,329
Loss on disposal of property and equipment	–	29
Research and development costs recognised as an expense	331	–
COVID-19 related rent concessions	(170)	–

During the current interim period, the Group recognised government grants by deducting from the related expenses in respect of COVID-19-related subsidies which mainly relate to Employment Support Scheme provided by the Hong Kong government and reduction or waiver of social insurance contributions by the PRC government.

6. DIVIDENDS

During the current interim 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 RMB51.2 million), has been proposed by the directors of the Company and approved by the shareholders of the Company. The dividend was paid in July 2020.

During the six months ended 30 June 2019, 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 to the owners of the Company.

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

7. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earning for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**56,057**	36,926

Number of shares

	Six months ended 30 June	
	2020	2019
	(unaudited)	(unaudited)
Number of ordinary shares for the purpose of basic and diluted earnings per share	**207,500,000**	150,000,000

The number of ordinary shares for the purpose of calculating basic and diluted earnings per share for the six months ended 30 June 2019 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 2019.

The computation of diluted earnings per share for the six months ended 30 June 2020 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 the six months ended 30 June 2020.

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

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	At 30 June 2020	At 31 December 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0–30 days	**420,827**	436,220
31–60 days	**21,418**	22,685
61–90 days	**7,149**	7,748
Over 90 days	**14,144**	8,181
	463,538	474,834

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

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

	Amount due from fellow subsidiaries	
	At 30 June 2020	At 31 December 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0–30 days	**328**	137
31–60 days	**39**	28
61–90 days	**29**	67
Over 90 days	**418**	41
	814	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**	
	At 30 June 2020	At 31 December 2019	**At 30 June 2020**	At 31 December 2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
0–30 days	**895**	736	**67**	116
31–60 days	**524**	743	**47**	38
61–90 days	**549**	650	**34**	38
Over 90 days	**–**	341	**516**	546
	1,968	2,470	**664**	738

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 2020	At 31 December 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0–30 days	**12,991**	14,655
31–60 days	**346**	30
61–90 days	**84**	56
Over 90 days	**1,370**	200
	14,791	14,941

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 and
Chief Executive Officer

Hong Kong, 27 August 2020

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. John Thomas MCGINNIS, 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 2020. 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.*