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ManpowerGroup®

MANPOWERGROUP GREATER CHINA LIMITED

万宝盛华大中华有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2180)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –
THE MASTER SERVICES AGREEMENT AND
THE BRAND LICENSE AGREEMENT**

Reference is made to (i) the 18 January 2022 Announcement, (ii) the 29 June 2023 Announcement and (iii) 11 July 2023 Announcement, in relation to, among others, the Continuing Connected Transactions entered into between the Group and its connected person and the Existing Annual Caps for the years ended 31 December 2022 and 2023 and year ending 31 December 2024.

As disclosed in the 18 January 2022 Announcement, the Group entered the Master Services Agreement and the Brand License Agreement and set up the Existing Annual Caps for the Continuing Connected Transactions for the years ended 31 December 2022 and 2023 and year ending 31 December 2024. As it is expected that the Continuing Connected Transactions will continue after 31 December 2024, being the expiry date of the Existing Annual Caps, on 26 November 2024, the Board resolved to renew the Continuing Connected Transactions with effect from 1 January 2025 and set up the relevant Renewed Annual Caps for the years ending 31 December 2025, 2026 and 2027.

As at the date of this announcement, MAN holds approximately 36.87% of the total issued Shares through its subsidiaries and is therefore the controlling shareholder and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the Master Services Agreement and the Brand License Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As all applicable percentage ratios for the Renewed Annual Caps in respect of the transactions contemplated under each of the Master Services Agreement and the Brand License Agreement for the three-year period ending 31 December 2027 exceed 0.1% but are less than 5%, the transactions contemplated under each of the Master Services Agreement and the Brand License Agreement are only subject to the reporting, announcement and annual review requirements and are exempted from the independent shareholders' approval requirement under the Listing Rules.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to (i) the 18 January 2022 Announcement, (ii) the 29 June 2023 Announcement and (iii) 11 July 2023 Announcement, in relation to, among others, the Continuing Connected Transactions entered into between the Group and its connected persons and the Existing Annual Caps for the years ended 31 December 2022 and 2023 and year ending 31 December 2024.

As disclosed in the 18 January 2022 Announcement, the Group entered the Master Services Agreement and the Brand License Agreement and set up the Existing Annual Caps for the Continuing Connected Transactions for the years ended 31 December 2022 and 2023 and year ending 31 December 2024. As it is expected that the Continuing Connected Transactions will continue after 31 December 2024, being the expiry date of the Existing Annual Caps, on 26 November 2024, the Board resolved to renew the Continuing Connected Transactions with effect from 1 January 2025 and set up the relevant Renewed Annual Caps for the years ending 31 December 2025, 2026 and 2027.

1. Master Services Agreement

(A) Flexible staffing services provided to the MAN Group

(i) Background and principal terms of the agreement

The Company entered into the Master Services Agreement with MAN on 13 June 2019, pursuant to which the Group provides to the MAN Group flexible staffing services for a term from the Listing Date to 31 December 2021. Such services include (i) project-based flexible staffing services provided by the Group to the MAN Group when customers of the MAN Group have staffing needs within Greater China so as to enable the MAN Group to serve such customers; and (ii) the staffing of a management staff based in Greater China who is in charge of project implementation and serves the MAN Group in the territory. The scope of the Master Services Agreement also covers flexible staffing services provided by the MAN Group, details of which are set out in 1(B) below. On 18 January 2022, the Company renewed the Master Services Agreement for a further term of three years with effect from 1 January 2022 to 31 December 2024. The term of the Master Services Agreement would expire on 31 December 2024. As the transactions contemplated thereunder would continue, the Board resolved on 26 November 2024 to renew the Master Services Agreement and approve the Renewed Annual Caps for the transactions contemplated thereunder for a further term of three years with effect from 1 January 2025 to 31 December 2027 by entering into an agreement dated 26 November 2024 between the Company and MAN. All the material terms of the Master Services Agreement would remain unchanged.

(ii) Historical transaction amounts

Set out below are the historical service fees received by the Group from the MAN Group in respect of the flexible staffing services for the years ended 31 December 2022 and 2023 and the nine months ended 30 September 2024:

For the year ended 31 December 2022 <i>(RMB'000)</i>	For the year ended 31 December 2023 <i>(RMB'000)</i>	Nine months ended 30 September 2024 <i>(RMB'000)</i>
4,008	2,205	2,761

(iii) *Pricing policies, Renewed Annual Caps and basis of determination*

For the service fees chargeable by the Group for the provision of flexible staffing services, the Group has adopted the pricing policies same as that used for the historical period:

- (a) each specific transaction is to be negotiated on a case by case and arm's length basis and on normal commercial terms in the ordinary and usual course of business;
- (b) the service fees chargeable by the Group under each specific transaction shall be determined on a cost-plus basis with reference to factors including the costs involved and the then prevailing market price for similar services. The cost-plus percentage by the Group is generally ranging from 5% to 21%; and
- (c) the service fees payable by the MAN Group to the Group shall be no less favorable than such fees receivable by the Group from the Independent Third Parties for similar services.

The expected annual maximum amounts of service fees receivable by the Group from the MAN Group for the transactions contemplated under the Master Services Agreement for the three financial years ending 31 December 2027 are as follows:

For the year ending 31 December 2025 <i>(RMB'000)</i>	For the year ending 31 December 2026 <i>(RMB'000)</i>	For the year ending 31 December 2027 <i>(RMB'000)</i>
8,054	8,054	8,054

The Renewed Annual Caps have been determined with reference to the following factors:

- (a) the historical transaction amounts between the Group and the MAN Group in respect of flexible staffing services for the years ended 31 December 2022 and 2023 and the nine months ended 30 September 2024;
- (b) the expected inflation related to the cost to be incurred by the Group in providing the services;
- (c) the prevailing market rate for the provision of flexible staffing services in the industry; and
- (d) the estimated demand of the MAN Group for the services arising from the existing and continuing projects as well as relating to the relevant management staff to be assigned for provision of services for the MAN Group for the three years ending 31 December 2027.

(B) Flexible staffing services provided by the MAN Group

(i) Background and principal terms of the agreement

The Company entered into the Master Services Agreement with MAN on 13 June 2019, pursuant to which the MAN Group provides to the Group flexible staffing services for a term from the Listing Date to 31 December 2021. During the ordinary course of the Group's business, the Group has received project-based flexible staffing services from the MAN Group, which have arisen when certain customers of the Group have flexible staffing service requirements in jurisdictions which the MAN Group operates and the MAN Group provides the relevant services to the Group to enable us to serve such customers. On 18 January 2022, the Company renewed the Master Services Agreement for a further term of three years with effect from 1 January 2022 to 31 December 2024. The term of the Master Services Agreement would expire on 31 December 2024. As the transactions contemplated thereunder would continue, the Board resolved on 26 November 2024 to renew the Master Services Agreement and approve the Renewed Annual Caps for the transactions contemplated thereunder for a further term of three years with effect from 1 January 2025 to 31 December 2027 by entering into an agreement dated 26 November 2024 between the Company and MAN. All the material terms of the Master Services Agreement would remain unchanged.

(ii) Historical transaction amounts

Set out below are the historical service fees payable by the Group to the MAN Group in respect of the flexible staffing services provided by the MAN Group for the years ended 31 December 2022 and 2023 and the nine months ended 30 September 2024:

For the year ended 31 December 2022 <i>(RMB'000)</i>	For the year ended 31 December 2023 <i>(RMB'000)</i>	Nine months ended 30 September 2024 <i>(RMB'000)</i>
835	12,771	16,680

(iii) *Pricing policies, Renewed Annual Caps and basis of determination*

For the service fees payable by the Group for the provision of flexible staffing services provided the MAN Group, the Group has adopted the pricing policies same as that used for the historical period:

- (a) each specific transaction is to be negotiated on a case by case and arm's length basis and on normal commercial terms in the ordinary and usual course of business;
- (b) the service fees chargeable by the MAN Group under each specific transaction shall be determined on a cost-plus basis with reference to factors including the costs involved and the then prevailing market price for similar services. The cost-plus percentage to the Group is generally ranging from 5% to 15%; and
- (c) the service fees payable by the Group to the MAN Group shall be no less favorable than such fees payable by the Group to the Independent Third Parties for similar services.

The expected annual maximum amounts of service fees payable by the Group to the MAN Group for the transactions contemplated under the Master Services Agreement for the three financial years ending 31 December 2027 are as follows:

For the year ending 31 December 2025 <i>(RMB'000)</i>	For the year ending 31 December 2026 <i>(RMB'000)</i>	For the year ending 31 December 2027 <i>(RMB'000)</i>
40,171	41,000	41,000

The Renewed Annual Caps have been determined with reference to the following factors:

- (a) the historical transaction amounts between the Group and the MAN Group in respect of flexible staffing services provided by the MAN Group for the years ended 31 December 2022 and 2023 and the nine months ended 30 September 2024;
- (b) the growth of future demand and expanded service scope of the Group for the flexible staffing services arising from the existing, continuing and upcoming projects for the three years ending 31 December 2027;
- (c) the expected inflation related to the cost to be incurred by the MAN Group in providing the services;
- (d) prevailing market conditions in light of a rebound in global economy in the wake of recovery from COVID-19;

- (e) the prevailing market rate for the provision of flexible staffing services in the industry; and
- (f) an additional 5% buffer to factor in fluctuation in foreign exchange rates.

(C) *Reasons for and benefits of renewal of the Master Services Agreement*

The renewal of the Master Services Agreement is in line with the Group's continuous effort to enhance the revenue income stream from provision of flexible staffing services and it is expected that the capabilities of the Group in serving large global clients would be further strengthened which in turn enable the Group to be equipped to explore more future business opportunities to serve local clients in the Greater China region, and thereby enhancing the corporate image of the Group.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the renewal of the Master Services Agreement, the terms contemplated thereunder and the Renewed Annual Caps are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

2. Brand License Agreement

(i) *Background and principal terms of the agreement*

MAN (as licensor), Manpower HK (being a wholly owned subsidiary of the Company, as licensee) and the Company entered into the Brand License Agreement dated 16 July 2015 (as amended and restated by an agreement dated 20 June 2019) pursuant to which MAN granted an exclusive and non-transferrable license for the Group to use certain trademarks and proprietary products for the purpose of carrying on of the business of the Group within Greater China region for perpetual term as long as MAN remains a shareholder in Manpower HK or the Company of at least 0.1% of each of its issued shares. Manpower HK has the right to sublicense the use of the licensed trademarks and proprietary products within the Greater China region to any other members of the Group (including the Company) from time to time. The annual caps for the transactions contemplated under the Brand License Agreement in respect of the years ended 31 December 2022 and 2023 and the year ending 31 December 2024 were disclosed in the 18 January 2022 Announcement. As the transactions contemplated thereunder would continue, the Board resolved on 26 November 2024 to approve the Renewed Annual Caps for the transactions contemplated under the Brand License Agreement in respect of another three years ending 31 December 2027.

(ii) *Historical transaction amounts*

Set out below are the historical royalty fees paid by the Group to MAN in respect of the licensing arrangement for the for the years ended 31 December 2022 and 2023 and the nine months ended 30 September 2024:

For the year ended 31 December 2022 <i>(RMB'000)</i>	For the year ended 31 December 2023 <i>(RMB'000)</i>	Nine months ended 30 September 2024 <i>(RMB'000)</i>
9,457	9,304	6,900

(iii) *Pricing policies, Renewed Annual Caps and basis of determination*

For the royalty fees payable by the Group for the use of licensed trademarks and proprietary products, the Group has adopted the pricing policies same as that used for the historical period:

- (a) the royalty fees payable by the Group shall remain at the rate of 1.5% of each of (i) the Group's revenue attributable to the line of business which has higher gross profit margin, primarily being headhunting business; and (ii) the Group's gross profit attributable to the line of business which has lower gross profit margin, primarily being flexible staffing business; and
- (b) the royalty fees to be paid should have been reached on arm's length basis and on normal commercial terms in the ordinary and usual course of business.

The expected annual maximum amounts of royalty fees payable by the Group to MAN for the transactions contemplated under the Brand License Agreement for the three financial years ending 31 December 2027 are as follows:

For the year ending 31 December 2025 <i>(RMB'000)</i>	For the year ending 31 December 2026 <i>(RMB'000)</i>	For the year ending 31 December 2027 <i>(RMB'000)</i>
37,486	37,486	37,486

The Renewed Annual Caps have been determined with reference to the following factors:

- (a) the historical transaction amounts between the Group and MAN in respect of licensing arrangement for the years ended 31 December 2022 and 2023 and the nine months ended 30 September 2024;
- (b) the estimated revenue and gross profit from the lines of business of the Group using the licensed trademarks and proprietary products;
- (c) the performance of a project which has been commenced in the fourth quarter of 2021; and
- (d) the increased business capacity with the additional manpower investment and the planned business expansion of the Group.

(iv) Reasons for and benefits of continuance of the Brand License Agreement

The licensed trademarks and proprietary products have been an important means of promoting the brand and image of the Group and such trademarks are also key icons in the external promotion and marketing activities in connection with business operations of the Group. The continual use of the licensed trademarks and proprietary products could avoid any unnecessary business interruption and help ensure the continuity of the brands and image of the Group, thereby ensuring the long-term development and continuity and growth of the business.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Renewed Annual Caps and continual transactions contemplated under the Brand License Agreement are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, MAN holds approximately 36.87% of the total issued Shares through its subsidiaries and is therefore the controlling shareholder and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the Master Services Agreement and the Brand License Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As all applicable percentage ratios for the Renewed Annual Caps in respect of the transactions contemplated under each of the Master Services Agreement and the Brand License Agreement for the three-year period ending 31 December 2027 exceed 0.1% but are less than 5%, the transactions contemplated under each of the Master Services Agreement and the Brand License Agreement are only subject to the reporting, announcement and annual review requirements and are exempted from the independent shareholders' approval requirement under the Listing Rules.

No Director has a material interest in the transactions contemplated under the Master Services Agreement and the Brand License Agreement, therefore none of the Directors has abstained from voting on the Board's resolutions to approve the renewal of the Master Services Agreement and the Renewed Annual Caps.

INTERNAL CONTROL MEASURES

The Company has adopted relevant internal control policies to monitor the pricing of the Continuing Connected Transactions and to ensure that the Renewed Annual Caps set under the Continuing Connected Transactions will not be exceeded:

- (i) the Board would be responsible for internal control of the Company which cover annual review of the Continuing Connected Transactions and assessment of effectiveness of relevant internal control policies. In addition, the Company would engage external consultant which is specialised in identifying and evaluation of potential significant risk that may be associated with business and operations of the Company and will prepare an internal control report for review and consideration by the Board;
- (ii) the Finance Department of the Company and Legal and Compliance Department are responsible for regularly monitoring, collecting and evaluating details of the Continuing Connected Transactions, including but not limited to the implementation of pricing policies, payment arrangements and actual transaction amounts under specific transactions, to ensure that such transactions are conducted in accordance with the relevant agreements for the Continuing Connected Transactions;
- (iii) to ensure that the service fees chargeable to the Group by the MAN Group are on normal commercial terms and shall be no less favourable to the Group than those quoted by Independent Third Parties, the Group would compare the market prices offered by other available service providers which are Independent Third Parties for similar services having taking into consideration the jurisdictions in which the customers of the Group demand for the flexible staffing services, the types of the flexible staffing services and the scope of the particular projects of the customers of the Group. Further, before entering to any specific transaction with the MAN Group pursuant to the Master Services Agreement, the business head of the MAN Group for the relevant country would propose a price to the Group which would not be higher than the prices offered by the MAN Group to its independent customers for comparable services;
- (iv) the independent non-executive Directors would review the Continuing Connected Transactions to ensure that they are entered into in the ordinary and usual course of business of the Group and on normal commercial terms and that the terms of the relevant Continuing Connected Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (v) the Company's auditors will also conduct an annual review of the pricing policy and Renewed Annual Caps of the Continuing Connected Transactions.

Having considered the above mentioned internal control procedures, the Directors (including the independent non-executive Directors) consider that the Company has implemented effective internal control and risk management measures so as to ensure that the Continuing Connected Transactions will be carried out on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

GENERAL INFORMATION

The Group is principally engaged in the provision of a comprehensive range of workforce solutions and services in the Greater China.

MAN, being the controlling shareholder of the Company, is a corporation organized and existing under the laws of the State of Wisconsin, the United States of America and is listed on the New York Stock Exchange (symbol: MAN). The MAN Group is principally engaged in the business of workforce solutions and services around the world in regions outside of Greater China.

DEFINITIONS

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

“18 January 2022 Announcement”	the announcement of the Company dated 18 January 2022 in relation to, among others, the renewal of continuing connected transactions of the Group under (i) the Master Services Agreement in respect of flexible staffing services provided to the MAN Group and (ii) the Brand License Agreement and relevant annual caps for the years ended 2022, 2023 and the year ending 2024
“29 June 2023 Announcement”	the announcement of the Company dated 29 June 2023 in relation to, among others, the annual caps for the year ended 2023 and the year ending 2024 contemplated under the Master Services Agreement in respect of flexible staffing services provided by the MAN Group
“11 July 2023 Announcement”	the supplemental announcement of the Company dated 11 July 2023 in respect of continuing connected transactions contemplated under the Master Services Agreement regarding flexible staffing services provided by the MAN Group
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company

“Brand License Agreement”	the agreement dated 16 July 2015 (as amended and restated by an agreement dated 20 June 2019, further amended by an agreement dated 21 July 2021 and further amended by an agreement dated 21 December 2021) and entered into between MAN (as licensor), Manpower HK (as licensee) and the Company in connection with grant of exclusive and non-transferrable license by MAN for the Group to use certain trademarks and proprietary products for the purpose of carrying on of the business of the Group within Greater China region for perpetual term as long as MAN remains a shareholder in Manpower HK or the Company of at least 0.1% of each of its issued shares (as may be amended, restated and/or supplemented from time to time)
“Company”	ManpowerGroup Greater China Limited (萬寶盛華大中華有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	collectively, the continuing connected transactions of the Group under the Master Services Agreement and the Brand License Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Existing Annual Caps”	the anticipated maximum annual value of the transactions contemplated under, as the case may be, (i) Master Services Agreement for the years ended 31 December 2022 and 2023 and the year ending 31 December 2024 as stated in the 18 January 2022 Announcement, the 29 June 2023 Announcement and the 11 July 2023 Announcement and (ii) Brand License Agreement for the years ended 31 December 2022, 2023 and the year ending 31 December 2024 as stated in the 18 January 2022 Announcement
“Greater China”	the geographic region comprising the PRC, Hong Kong, Macau and Taiwan
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial Shareholder(s) of the Company, its subsidiaries or any of their respective associates
“Listing Date”	10 July 2019, being the date on which dealings in the Shares firstly commenced on the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“MAN”	ManpowerGroup Inc., a company incorporated in the State of Wisconsin, the United States and listed on the New York Stock Exchange (symbol: MAN) and the controlling shareholder of the Company
“MAN Group”	MAN and its subsidiaries and, for the purpose of this announcement, excluding the Group
“Manpower HK”	ManpowerGroup Greater China (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Master Services Agreement”	the master agreement dated 13 June 2019 (as amended by an agreement dated 21 December 2021) and entered into between the Company and MAN in connection with, among others, (i) provision of flexible staffing services by the Group to the MAN Group and (ii) provision of flexible staffing services by the MAN Group to the Group (as may be amended, restated and/or supplemented from time to time)
“percentage ratios”	refers to the percentage ratios under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Renewed Annual Caps”	the expected annual maximum amounts for the transactions contemplated under each of the Master Services Agreement and the Brand License Agreement for the financial year ending 31 December 2025, 2026 and 2027 or, where the context so requires, any of them
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company

“Shareholder(s)” holder(s) of the Share(s)
“Stock Exchange” The Stock Exchange of Hong Kong Limited
“%” per cent.

By order of the Board
ManpowerGroup Greater China Limited
CUI Zhihui
Executive Director and Chief Executive Director

Hong Kong, 26 November 2024

As at the date of this announcement, the Board comprises Mr. CUI Zhihui as executive Director; Mr. John Thomas MCGINNIS, Mr. ZHANG Yinghao, Mr. Colin Patrick Alan JONES and Mr. ZHANG Qi as non-executive Directors; and Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG as independent non-executive Directors.