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

GLOBAL OFFERING



Sole Sponsor

華泰金融控股(香港)有限公司
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Joint Global Coordinators

華泰金融控股(香港)有限公司
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

CLSA A CITIC Securities Company

東方證券(香港)有限公司
ORIENT SECURITIES (HONG KONG) LIMITED

Joint Bookrunners and Joint Lead Managers

華泰金融控股(香港)有限公司
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

CLSA A CITIC Securities Company

東方證券(香港)有限公司
ORIENT SECURITIES (HONG KONG) LIMITED

農銀國際
ABC INTERNATIONAL

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



ManpowerGroup®

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

(incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**50,000,000 Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**5,000,000 Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**45,000,000 Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$12.60 per Share plus brokerage of 1%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005% (payable in full on application, subject to refund)**
Nominal value	**:**	**HK$0.01 per Share**
Stock code	**:**	**2180**

Sole Sponsor

華泰金融控股(香港)有限公司
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Joint Global Coordinators

華泰金融控股(香港)有限公司
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

CLSA A CITIC Securities Company

東方證券(香港)有限公司
ORIENT SECURITIES (HONG KONG) LIMITED

Joint Bookrunners and Joint Lead Managers

華泰金融控股(香港)有限公司
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

CLSA A CITIC Securities Company

東方證券(香港)有限公司
ORIENT SECURITIES (HONG KONG) LIMITED

農銀國際
ABC INTERNATIONAL

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Appendix V—Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection" to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, July 3, 2019 and, in any event, not later than Monday, July 8, 2019. The Offer Price will be not more than HK$12.60 and is currently expected to be not less than HK$9.90. If, for any reason, the Offer Price is not agreed by Monday, July 8, 2019 between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Joint Global Coordinators (on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative offer price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published on our website (www.manpowergroupgrc.com) and the Stock Exchange's website (www.hkexnews.hk) not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus. The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure subscribers for, the Hong Kong Offer Shares, are subject to termination by any one of the Joint Global Coordinators if certain events shall occur prior to 8:00 a.m. on Wednesday, July 10, 2019. Such grounds are set out in the section headed "Underwriting" in this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in accordance with Regulation S.

June 27, 2019

*We will issue an announcement in Hong Kong to be published on our website (**www.manpowergroupgrc.com**) and the Stock Exchange's website (**www.hkexnews.hk**) if there is any change in the following expected timetable of the Hong Kong Public Offering:*

Hong Kong Public Offering commences and **WHITE** and **YELLOW** Application Forms available from	9:00 a.m. on Thursday, June 27, 2019
Latest time to complete electronic applications under **White Form eIPO** service through the designated website (**www.eipo.com.hk**)[2]	11:30 a.m. on Wednesday, July 3, 2019
Application lists open[3]	11:45 a.m. on Wednesday, July 3, 2019
Latest time to: (1) lodge **WHITE** and **YELLOW** Application Forms; (2) complete payment of **White Form eIPO** applications by effecting Internet banking transfer(s) or PPS payment transfer(s); and (3) give **electronic application instructions** to HKSCC[4]	12:00 noon on Wednesday, July 3, 2019
Application lists close[3]	12:00 noon on Wednesday, July 3, 2019
Expected Price Determination Date[5]	Wednesday, July 3, 2019
Announcement of the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on our website (**www.manpowergroupgrc.com**) and the Stock Exchange's website (**www.hkexnews.hk**) on or before	Tuesday, July 9, 2019
Results of allocations under the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels including our website (**www.manpowergroupgrc.com**) and the Stock Exchange's website (**www.hkexnews.hk**) (for further details, see "How to Apply for Hong Kong Offer Shares—11. Publication of Results" in this prospectus) from	Tuesday, July 9, 2019
Results of allocations in the Hong Kong Public Offering will be available at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID" function	Tuesday, July 9, 2019

Despatch/Collection of White Form e-Refund payment instructions/refund cheques in respect of wholly or partially successful applications if the final Offer Price is less than the price payable on application (if applicable) and wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before[6][7][8]	Tuesday, July 9, 2019
Despatch/Collection of Share certificates on or before[6][7]	Tuesday, July 9, 2019
Dealings in the Shares on the Stock Exchange expected to commence on	9:00 a.m. on Wednesday, July 10, 2019

Notes:

(1) All times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, July 3, 2019, the application lists will not open on that day. For details, please see "How to Apply for Hong Kong Offer Shares—10. Effect of Bad Weather on the Opening of the Application Lists."

(4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to "How to Apply for Hong Kong Offer Shares—6. Applying by Giving **Electronic Application Instructions** to HKSCC Via CCASS" for further details.

(5) The Price Determination Date is expected to be on or around Wednesday, July 3, 2019. If, for any reason, the Offer Price is not agreed by Monday, July 8, 2019 between our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), the Global Offering will not proceed and will lapse accordingly.

(6) Share certificates for the Offer Shares are expected to be issued on or before Tuesday, July 9, 2019 but will only become valid certificates of title at 8:00 a.m. on Wednesday, July 10, 2019 provided that: (a) the Global Offering has become unconditional in all respects; and (b) none of the Underwriting Agreements has been terminated in accordance with its terms.

(7) Applicants who have applied on **WHITE** Application Forms or through the **White Form eIPO** service for 1,000,000 or more Hong Kong Offer Shares and have provided all information required in their Application Forms that they may collect Shares certificates (if applicable) and refund cheques (if applicable) in person may do so from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, July 9, 2019 or any other date notified by us as the date of despatch of Share certificates/e-Refund payment instructions/refund cheques. Applicants being individuals who are eligible for personal collection must not authorize any other person to make their collection on their behalf. Applicants being corporations who are eligible for personal collection must attend by sending their authorized representatives each bearing a letter of authorisation from his corporation stamped with the corporation's chop. Both individuals and authorized representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Share Registrar.

Applicants who have applied on **YELLOW** Application Forms may collect their refund cheque (if applicable) in person but may not collect their Share certificates, which will be deposited into CCASS for the credit of their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. Uncollected Share certificates and refund cheques (if any) will be despatched by ordinary post at the applicant's own risk to the address specified in the relevant Application Form. For further information, applicants should refer to "How to Apply for Hong Kong Offer Shares—14. Despatch/Collection of Share Certificates and Refund Monies."

(8) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications and also in respect of successful applications in the event that the Offer Price is less than the initial price per Hong Kong Offer Share payable on application. Part of your Hong Kong identity card number/passport number, or, if you are joint applicants, part of the Hong Kong identity card number/passport number of the first-named applicant, provided by you may be printed on your refund cheque, if any. Such data would also be transferred to a third party to facilitate your refund. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong identity card number/passport number may lead to delay in encashment of your refund cheque or may invalidate your refund cheque. Further information is set out in "How to Apply for Hong Kong Offer Shares."

CONTENTS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute an offer or invitation in any other jurisdictions or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdictions other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information not given or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives, or any other person or party involved in the Global Offering.

Page

Expected Timetable i

Contents iv

Summary 1

Definitions 14

Glossary of Technical Terms 28

Forward-looking Statements 30

Risk Factors 32

Waivers from Compliance with the Listing Rules 67

Information about this Prospectus and the Global Offering 70

Directors and Parties Involved in the Global Offering 75

Corporate Information 80

Industry Overview 82

History, Development and Reorganization 93

CONTENTS

Page

Business 110

Regulations 169

Relationship with Our Controlling Shareholders 193

Connected Transactions 202

Directors and Senior Management 210

Substantial Shareholders 222

Share Capital 226

Financial Information 229

Future Plans and Use of Proceeds 280

Underwriting 290

Structure of the Global Offering 302

How to Apply for Hong Kong Offer Shares 314

Appendix I — Accountants' Report I-1

Appendix II — Unaudited Pro Forma Financial Information II-1

Appendix III — Summary of the Constitution of Our Company and Cayman Companies Law III-1

Appendix IV — Statutory and General Information IV-1

Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection V-1

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OUR MISSION

Our mission is to unleash the power of the human potential for progress.

OVERVIEW

We are the largest workforce solutions provider in the Greater China region by revenue in 2018, according to CIC. We provide comprehensive workforce solutions and other HR services to clients located in each market in Greater China, namely, the PRC, Hong Kong, Macau and Taiwan. Our largest stakeholder, ManpowerGroup Inc., is a New York Stock Exchange-listed world leader in workforce solutions and services. Based in Wisconsin, United States, MAN is a Fortune 500 company with a long operating history of over 70 years and a global network of nearly 2,600 offices in 80 countries and territories in the Americas, Europe and Asia Pacific Middle East, according to its 2018 annual report. MAN first entered the Greater China region in 1997, when it commenced operations in Hong Kong and Taiwan. It subsequently entered mainland China in 2003 and Macau in 2007. Today, we serve a broad range of corporate and government clients in over 130 cities in the Greater China markets, operating more than 20 offices as of December 31, 2018.

Leveraging MAN's global reputation, we have, over two decades of dedicated work, developed deep connections with both multinational clients and local clients doing business in the Greater China region and achieved prominent brand recognition. As of December 31, 2018, we had served over 22,500 clients, including over 260 Fortune 500 companies and prominent local public and private employers, such as Lenovo and certain other leading Chinese technology firms. As a testament to our standing in the industry, we were named the Best Comprehensive HR Service Provider in Greater China (Foreign Company/Joint Venture) (大中華區最佳綜合人力資源服務機構(外資／合資)) by HRoot in 2018. We received the Asia-Pacific Human Resources Service Leading Enterprise Award (亞太人力資源服務領軍企業獎) from Asia Pacific Human Resources Development and Service Fair Organizing Committee in 2015, 2016 and 2018. We were also named the Industry Most Influential Brand (行業影響力品牌) by China Finance Summit in 2016, 2017 and 2018.

We firmly believe that people are central to the success of all businesses, and we are committed to helping our clients find the right people to join their workforce. By offering a comprehensive range of workforce solutions and other HR services, we aim to be a one-stop provider, to clients across industry sectors at varying stages of development, of HR services that are tailored to their specific business needs. We provide the following HR services in each of the PRC, Hong Kong, Macau and Taiwan:

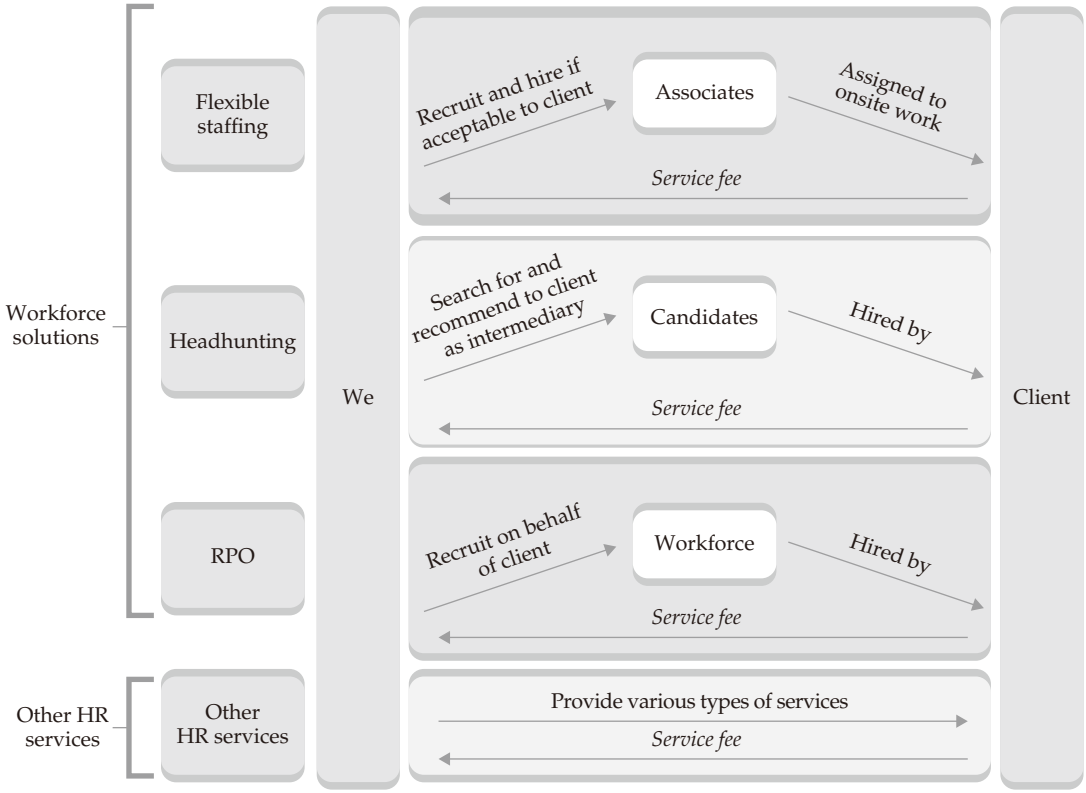
- *Flexible staffing*. For clients who wish to control their own headcount, or only require workers for a limited time or a specific project, we provide contingent workers (to whom we refer as "associates") who are employed by us but work on client premises typically under client instruction and supervision during the term of their deployment. We pay the associates salaries and statutory and other benefits and charge clients a fee to cover such labor costs, plus a premium, or "markup," as compensation for our service. Clients may choose to hire our associates on a permanent basis, in which case we typically receive an additional fee. According to CIC, we are the second-largest provider of flexible staffing services in the PRC by revenue in 2018.

- *Headhunting.* We use our extensive human and technical resources and expertise to search for, identify and recommend potential candidates suitable for client job vacancies. We charge a fee upon a successful placement. According to CIC, we are the third largest headhunting firm in Greater China by revenue in 2018. We were named "The Best HR Hunting Provider in Greater China (Foreign Company/Joint Venture) (大中華區最佳人才尋獵服務機構(外資／合資))" by HRoot in 2017.

- *Recruitment process outsourcing (RPO).* Some of our clients are large companies who have a significant volume of hiring needs and wish to outsource the hiring process. For this type of clients, we step in to manage the recruiting and on-boarding process for them. We charge a management fee and a recruiting fee for this assistance. We were named a Top 10 Recruitment Process Outsourcing Service Provider in China in 2017, endorsed by the China Recruiting & Staffing Solution Provider Value Awards. We were also named an "Excellent RPO Service Provider (RPO 優秀供應商)" by Sohu in 2016 and "The Best HR Outsourcing Provider in Greater China (Foreign Company) (大中華區最佳人力資源外包機構(外資))" by HRoot in 2016.

- *Other HR services.* In addition, we provide (i) HR consultancy services to clients who need assistance in leadership development, career management and talent assessment; (ii) training and development services mainly focused on general management skills, specialized core skills and workplace English; (iii) career transition, primarily outplacement, services; and (iv) other services, including government solutions and payroll services. We were named "The Best HR Management Coach Provider in Greater China (大中華區最佳管理教練服務機構)" by HRoot in 2017 and "The Best Training Organization of the Year (年度最佳培訓機構)" by TopHR in 2016.

The diagram below illustrates our services and how the parties are generally involved in the service processes:



We are able to connect our clients who have workforce needs with a ready pool of quality talent. We have large and growing talent databases, which contained in aggregate over four million candidates as of the Latest Practicable Date. With our talent databases, we are capable of screening and selecting candidates with suitable skill-sets to meet long-term, short-term and *ad hoc* demands of our clients.

In managing our operations, we have adopted an entrepreneurial partnership system to encourage our partners to take the lead in originating and executing business and fulfilling various administrative functions. Our "partners" are our salaried senior employees and are not partners in a legal partnership. They make executive decisions and enjoy a high level of autonomy. We believe our partners are key to our growth and productivity. As of December 31, 2018, we had over 210 partners.

Operating under a capital-efficient model, we achieved strong financial performance during the Track Record Period. In the years ended December 31, 2016, 2017 and 2018, our revenue from continuing operations was RMB1,624.1 million, RMB2,006.9 million and RMB2,491.5 million, respectively. Our net profit from continuing operations increased by 28.5% from RMB69.7 million for the year ended December 31, 2016 to RMB89.5 million for the year ended December 31, 2017, and further by 20.9% to RMB108.3 million for the year ended December 31, 2018. Excluding the effects of our payment of listing expenses which is non-recurring in nature, we would have incurred an adjusted net profit of RMB126.5 million for the year ended December 31, 2018. See "Financial Information—Selected Statements of Profit or Loss Items—Non-IFRS Measure." For the years ended December 31, 2017 and 2018, our return on equity was 13.4% and 15.4%, respectively.

The table below sets forth a breakdown of revenue generated from each of our business lines for the years indicated:

	For the year ended December 31,		
	2016	**2017**	**2018**
	(RMB in thousands)		
Flexible staffing	1,379,701	1,696,087	2,124,304
Headhunting	199,203	230,714	272,343
RPO	21,442	25,642	30,143
Other HR services	23,755	54,479	64,704
	1,624,101	2,006,922	2,491,494

COMPETITIVE STRENGTHS

We believe the following competitive strengths contribute to our success and differentiate us from our competitors: (i) well recognized global brands highly trusted by multinational and local clients; (ii) favorable position to capture shares in the fast-growing HR services market in the PRC; (iii) deep roots in local markets, long operating history and well-established client base; (iv) diversified and complementary business lines providing clients with comprehensive workforce solutions; (v) unique expertise and capability to deliver tailored solutions to clients; (vi) strong historical results of operations and cash flow; and (vii) highly experienced and incentivized management team and an effective partnership system.

BUSINESS STRATEGIES

To continuously increase our revenue, further improve operating efficiency and profitability and enhance client experience, we intend to pursue the following strategies: (i) further expand our business scale and market share; (ii) seek strategic mergers and acquisitions; (iii) invest in R&D and strengthen our technological capabilities; and (iv) further invest in brand building and marketing.

COMPETITIVE LANDSCAPE

According to CIC, the HR services market is a fast-growing and diverse market consisting of workforce solutions (including flexible staffing, headhunting and RPO services) and other HR services markets. The HR services industry in the Greater China region is highly fragmented, with professional service providers of different sizes and areas of expertise competing mainly on quality and scope of service, market reputation and pricing.

According to CIC, the workforce solutions market in the Greater China region, which is a subset of the HR services market, is also fragmented, with a total of over 20,000 service providers as of December 31, 2018. The top five participants account for 5.14% of the market by revenue in 2018. We are the largest workforce solutions provider in Greater China, with a market share of 1.74% by revenue in 2018, according to CIC.

Competition in the HR services industry is intense and we have to compete with international competitors who may have better or longer established reputation, a wider range of services and a longer operating history than us. We also compete with local HR service providers who have deeper roots in the local market and a broader local client network. The entry barrier to setting up an HR service company is considered low as no substantial capital investment is required. We may face competition from smaller or newly established professional service providers which often compete on price. Nevertheless, we believe that we have a number of competitive advantages which will enable us to compete successfully.

RISK FACTORS

Our business and the Global Offering involve certain risks as set out in the section headed "Risk Factors" in this prospectus. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include: (i) our results of operations could be materially and adversely affected by volatile or uncertain conditions, and demand for our services could be disrupted by geopolitical events such as the U.S.-China trade war and the Brexit; (ii) if we fail to consistently deliver quality services, we may not be able to retain existing clients and attract new clients, which may adversely impact our business, financial condition and results of operations; (iii) we may not compete successfully in a rapidly evolving market; (iv) concerns about our collection, storage, use and disclosure of personal data and other privacy-related matters could damage our reputation and deter use of our services; (v) our business depends on strong brands, and any failure to maintain, protect and enhance the brands we use would hurt our ability to retain or attract clients; (vi) we had significant amounts of goodwill and therefore we might be subject to the possibility of provision of impairment losses for such goodwill; and (vii) we had significant amounts of other intangible assets and therefore we might be subject to the possibility of provision of impairment losses for such other intangible assets.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Consolidated Statements of Profit or Loss

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*% of revenue*	*Amount*	*% of revenue*	*Amount*	*% of revenue*
	(RMB in thousands, except for percentages)					
Continuing operations						
Revenue[(1)]	1,624,101	100.0	2,006,922	100.0	2,491,494	100.0
Cost of services[(2)]	(1,243,747)	(76.6)	(1,549,508)	(77.2)	(1,926,981)	(77.3)
Gross profit[(1)]	380,354	23.4	457,414	22.8	564,513	22.7
Selling and administrative expenses[(3)]	(291,187)	(17.9)	(349,745)	(17.4)	(403,685)	(16.2)
Other income[(4)]	3,534	0.2	6,548	0.3	3,070	0.1
Impairment loss, net of reversal[(5)]	(4,272)	(0.3)	3,194	0.2	(227)	(0.0)
Other gains and losses[(6)]	735	0.1	870	–	2,558	0.1
Finance costs	–	–	(90)	–	–	–
Share of loss of associates	–	–	–	–	(1,702)	(0.1)
Listing expenses	–	–	–	–	(18,195)	(0.7)
Profit before tax	89,164	5.5	118,191	5.9	146,332	5.9
Income tax expense	(19,508)	(1.2)	(28,650)	(1.4)	(38,067)	(1.5)
Profit for the year from continuing operations[(1)]	69,656	4.3	89,541	4.5	108,265	4.4
Discontinued operation[(7)]						
Profit for the year from discontinued operation	7,186	0.4	5,021	0.2	5,030	0.2
Profit for the year	76,842	4.7	94,562	4.7	113,295	4.6

Notes:

(1) Our revenue, gross profit and profit for the year from continuing operations increased during the Track Record Period, primarily due to increases in the numbers of placements for flexible staffing and headhunting services which is in line with our business expansion.

(2) The following sets forth a breakdown of our cost of services for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Staff cost	1,218,537	98.0	1,509,699	97.4	1,866,191	96.8
Salaries	972,121	78.2	1,162,771	75.0	1,380,274	71.6
Mandatory employee contributions	143,032	11.5	171,913	11.1	212,688	11.0
Costs of non-employment contract work	31,853	2.6	55,338	3.6	103,526	5.4
Other operational costs	71,531	5.7	119,677	7.7	169,703	8.8
Others	25,210	2.0	39,809	2.6	60,790	3.2
	1,243,747	100	1,549,508	100	1,926,981	100

Staff cost comprises (i) salaries, (ii) mandatory contributions related to our employees directly involved in our revenue-generating activities, (iii) costs of non-employment contract work, including interns and retirees in the PRC and part-time workers in Hong Kong and Macau, and (iv) other operational costs, including staff welfare and benefits, fees paid to payroll service providers in relation to the payment of mandatory contributions for some of our associates in flexible staffing business and others. During the Track Record Period, a substantial majority of our staff cost is related to our associates in the flexible staffing business line. The increases in our staff cost from 2016 to 2017 and from 2018 were in line with the growth of our flexible staffing business.

(3) The table below sets forth a breakdown of our selling and administrative expenses for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Selling expenses						
Salaries and benefits	180,396	76.5	241,139	82.0	280,655	83.5
Office expenses	34,988	14.8	37,941	12.9	45,609	13.5
Others	20,461	8.7	15,002	5.1	10,000	3.0
	235,845	100.0	294,082	100.0	336,264	100.0
Administrative expenses						
Salaries and benefits	43,259	78.2	42,038	75.5	47,402	70.3
Office expenses	5,605	10.1	6,858	12.3	6,282	9.3
Others	6,478	11.7	6,767	12.2	13,737	20.4
	55,342	100.0	55,663	100.0	67,421	100.0

(4) Other income comprises (i) government grants, referring to the one-off grants received by certain PRC subsidiaries of our Group from the local governments according to local policy; and (ii) interest income on bank deposits.

(5) Impairment loss, net of reversal is primarily related to our trade receivables.

(6) Other gains and losses comprise gains on structured deposits and net exchange gains and losses.

(7) We sold a majority interest in Guangzhou Reach in December 2018 which is considered discontinued operation. See the sections headed "Financial Information—Selected Statements of Profit or Loss Items—Discontinued Operation" and "History, Development and Reorganization—Disposal of Majority Interest in Guangzhou Reach."

Non-IFRS Measure

The adjusted net profit from continuing operations, which is unaudited in nature, represents profit for the year from continuing operations excluding the effects of the listing expenses as it is non-recurring in nature. The adjusted net profit from continuing operations is not a measure of performance under IFRS. As a non-IFRS measure, the adjusted net profit from continuing operations is presented because our management believes such information will be helpful for investors in assessing the level of our 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 Track Record Period. The use of the adjusted net profit from continuing operations has material limitations as an analytical tool, as it does not include all items that impact our profit for the relevant year from continuing operations. See the section headed "Financial Information—Selected Statements of Profit or Loss Items—Non-IFRS Measure" in this prospectus. The following table reconciles our adjusted net profit from continuing operations for the years indicated to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is profit for the year from continuing operations:

	For the year ended December 31,		
	2016	**2017**	**2018**
	(RMB in thousands)		
Profit for the year from continuing operations	69,656	89,541	108,265
Add:			
Listing expenses	–	–	18,195
Adjusted net profit	69,656	89,541	126,460

Selected Consolidated Statements of Financial Position Data

	As of December 31,		
	2016	2017	2018
	(RMB in thousands)		
Non-current assets	69,584	146,980	181,081
Current assets	862,940	980,162	952,280
Total assets[(1)]	932,524	1,127,142	1,133,361
Current liabilities	266,887	370,658	403,777
Net current assets	596,053	609,504	548,503
Total assets less current liabilities	665,637	756,484	729,584
Non-current liability	–	6,948	6,875
Total liabilities	266,887	377,606	410,652
Net assets[(2)]	665,637	749,536	722,709
Total equity	665,637	749,536	722,709

Notes:

(1) Our total assets increased during the Track Record Period, primarily due to increases in property and equipment as we opened more offices and upgraded our existing offices and facilities, increases in goodwill and other intangible assets as a result of our acquisitions of Event Elite, and increases in trade and other receivables, deposits and prepayments which was in line with our business expansion.

(2) Our net assets increased from the year ended December 31, 2016 to the year ended December 31, 2017, primarily due to increases in property and equipment as we opened more offices and upgraded our existing offices and facilities, increases in goodwill and other intangible assets as a result of our acquisitions of Event Elite, and increases in bank balances and cash and in trade and other receivables, deposits and prepayments which was in line with our business expansion, partially offset by the increases in trade and other payables and contract liabilities which was in line with our business expansion. Our net assets decreased from the year ended December 31, 2017 to the year ended December 31, 2018, primarily due to decreases in bank balances and cash and time deposits with original maturity over three months, which was in turn due to our payment of dividends of US$21.6 million in 2018.

Gross Profit and Gross Profit Margin

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Flexible staffing	161,201	11.7	193,927	11.4	255,200	12.0
Headhunting	185,618	93.2	213,338	92.5	249,021	91.4
RPO	19,905	92.8	23,737	92.6	28,993	96.2
Other HR services	13,630	57.4	26,412	48.5	31,299	48.4
	380,354	23.4	457,414	22.8	564,513	22.7

The gross profit margins for flexible staffing are significantly lower than the other business lines, because we bear the direct cost associated with the hiring of the associates, including their salaries and other labor costs. The gross profit margins for headhunting and RPO are significantly higher, because the cost of services for headhunting and RPO services is limited to mainly subcontracting fees and other direct costs such as traveling expenses and does not involve labor costs of the persons hired. The salaries of our own employees (*e.g.*, partners and consultants) are included in the selling and administrative expenses and are not included in the cost of services for headhunting and RPO services, or our other business lines, as they are incurred regardless of whether or not we place candidates and do not arise specifically from the provision of services to clients.

During the Track Record Period, the gross profit margin for our flexible staffing service remained relatively stable. Our gross profit margin for headhunting service remained stable for the year ended December 31, 2017 compared to the year ended December 31, 2018. The gross profit margin for our RPO service increased from 92.6% in the year ended December 31, 2017 to 96.2% in the year ended December 31, 2018, primarily due to further improvement of our operation efficiency for the RPO business as a result of mass recruitment conducted at our sourcing center in Suzhou. Our gross profit margin for our other HR services remained stable for the year ended December 31, 2018 compared to the year ended December 31, 2017.

Key Financial Ratios[1]

	For the year ended/As of December 31,		
	2016	**2017**	**2018**
	(percentages, except for turnover days and current ratios)		
Total revenue growth[2]	N/A[3]	23.6	24.1
Net profit growth[4]	N/A[3]	28.5	20.9
Gross margin[5]	23.4	22.8	22.7
Net margin[6]	4.3	4.5	4.3
Return on equity[7]	N/A[3]	13.4	15.4
Current ratio[8]	3.2	2.6	2.4
Trade receivable turnover days[9]	N/A[3]	50	44
Return on assets[10]	N/A[3]	9.2	10.0

Notes:

(1) Unless otherwise specified, results of discontinued operation are not included in the calculation of these financial ratios.

(2) Calculated as total revenue for the current year minus total revenue for the previous year, divided by total revenue for the previous year, multiplied by 100%.

(3) Manpower China became the holding company of the MAN subsidiaries operating in the Greater China region at the time in 2015, and we did not prepare any consolidated accounts for the year ended December 31, 2015. Therefore, these ratios for 2016 are not available because the calculations of such ratios use certain items as of December 31, 2015.

(4) Calculated as net profit for the current year minus net profit for the previous year, divided by net profit for the previous year, multiplied by 100%. Our net profit growth for 2018 was negatively affected by our listing expenses of RMB18.2 million in 2018 and our payment of dividend withholding tax of RMB5.6 million in Taiwan in 2018.

(5) Calculated as gross profit divided by revenue for the year, multiplied by 100%.
(6) Calculated as net profit divided by revenue for the year, multiplied by 100%. Our net profit margin for 2018 was negatively affected by our listing expenses of RMB18.2 million in 2018 and our payment of dividend withholding tax of RMB5.6 million in Taiwan in 2018.
(7) Calculated as net profit (from continuing and discontinued operations) divided by average total equity at the beginning and end of the year, multiplied by 100%.
(8) Calculated as current assets divided by current liabilities as of the end of the period.
(9) Calculated as the average balance of trade receivables at the beginning and end of the period divided by revenue (from continuing and discontinued operations) in the year, multiplied by 360.
(10) Calculated as net profit (from continuing and discontinued operations) divided by average total assets at the beginning and end of the year, multiplied by 100%.

SELECT OPERATING DATA

We made placements in each of our workforce solution business lines during the Track Record Period. In flexible staffing, we placed over 24,000 associates, 28,000 associates and 31,000 associates in 2016, 2017 and 2018, respectively. In headhunting, we placed approximately 3,100 candidates, 3,400 candidates and 4,100 candidates in the same years, respectively. In RPO, we placed over 1,600 candidates, 1,900 candidates and 2,100 candidates in the same years, respectively.

We attribute our successful placements in part to our large talent databases. As of December 31, 2016, 2017 and 2018, our flexible staffing talent database contained over 1.3 million, 1.3 million and 1.4 million candidates, respectively, and our headhunting talent database contained over 1.5 million, 1.7 million and 2.0 million candidates, respectively.

For flexible staffing, we bill our clients a fee that covers the associates' labor costs plus a mark-up. During the Track Record Period, the mark-up for our flexible staffing service was generally 15% to 25%. Our fees for the provision of headhunting service are usually calculated based on a percentage of the successfully placed candidate's annual billable remuneration package (excluding certain unbillable portions, for example, bonuses and options, as negotiated case by case with the relevant client) in the first year of employment. The average annual billable remuneration package of our successfully placed candidates for the years ended December 31, 2016, 2017 and 2018 were over RMB371,000, RMB398,000 and RMB400,000, respectively. For the years ended December 31, 2016, 2017 and 2018, our average fee rate (without taking into account various forms of discounts we may give to the relevant client upon negotiation such as fee caps and volume discounts) for headhunting services was approximately 21%, 20% and 21% of the candidate's first-year billable remuneration package, respectively, which is higher than the industry average according to CIC.

OUR CUSTOMERS AND SUPPLIERS

Our customers include multinational corporations, major locally grown employers and small- to medium-sized employers. Our largest customer accounted for 5.5%, 5.5% and 5.4% of our total revenue (including both continuing and discontinued operations) for 2016, 2017 and 2018, respectively. Our top five customers accounted for 15.4%, 16.0% and 17.9% of our total revenue (including both continuing and discontinued operations) for 2016, 2017 and 2018, respectively.

Our suppliers primarily include payroll service agencies that perform certain payroll-related functions related to some of our employees, primarily associates, on behalf of us. Our largest supplier accounted for 1.1%, 1.0% and 1.0% of our cost of services (including both continuing and discontinued operations) for 2016, 2017 and 2018, respectively. Our top five suppliers accounted for 2.9%, 3.4% and 3.4% of our cost of services (including both continuing and discontinued operations) for 2016, 2017 and 2018, respectively.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

Our Company has applied to the Listing Committee for the granting of the Listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the additional Shares which may be issued pursuant to the Capitalization Issue and exercise of the Over-allotment Option) and the Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme. Our Company was a subsidiary of MAN as of the Latest Practicable Date, but will cease to be so immediately upon the Listing. No part of our share capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

DIVIDENDS

During the Track Record Period, we declared a dividend of US$21.6 million on December 21, 2018, which has been paid subsequently. We declared and paid another dividend of US$13.7 million in June 2019. We paid such dividend with our internal funds. See "Financial Information—Dividend." We currently expect to distribute approximately 35% to 45% of our annual net profit to our Shareholders as dividends after the Listing. This current expectation is not a binding commitment by our Company. Actual decisions to declare dividends, of any amounts or at all, will be made by our Board of Directors upon consideration of various factors, including our results of operations, cash flows, financial position, statutory and regulatory restrictions, future prospects and others.

RECENT DEVELOPMENTS

Financial Performance

Based on preliminary internal data, both revenue and net profit from continuing operations experienced increases in the four months ended April 30, 2019 as compared with the same period in 2018.

After due and careful consideration, our Directors confirm that there has not been any material adverse change in our financial, operational or trading position since December 31, 2018 and up to the date of this prospectus.

Payment of Dividend

We declared and paid another dividend of US$13.7 million in June 2019. For more information, see "Financial Information—Dividend."

CONTROLLING SHAREHOLDERS

Immediately upon completion of the Global Offering and the Capitalization Issue, MAN (through its wholly-owned subsidiaries, Manpower Holdings and Manpower Nominees) and CM Phoenix Tree will be interested in approximately 38.25% and 36.75% of our issued share capital, respectively, taking no account of Shares which may be issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme. CM Phoenix Tree is owned as to (i) approximately 91.17% by CM Phoenix Tree II, which

is in turn owned as to approximately 86.33% by CPEChina Fund II; and (ii) approximately 8.83% by MPG Management Inc. The general partner of CPEChina Fund II is CITIC PE Associates II, whose general partner is CITIC PE Funds II. MPG Management Inc. and its shareholders are not regarded as our Controlling Shareholders. To the best of our Directors' knowledge, there exists no agreement or arrangement in relation to voting arrangements (including but not limited to acting in concert agreements or arrangements), written or otherwise, between any of CM Phoenix Tree II and its shareholders on the one hand and MPG Management Inc. and its shareholders on the other hand and therefore MPG Management Inc. and its shareholders should not be treated as controlling shareholders of our Company as defined under the Listing Rules.

We have entered into certain transactions with MAN which will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules. See the section headed "Connected Transactions" in this prospectus for details.

OFFERING STATISTICS

Number of Offer Shares	:	50,000,000 Shares (comprising 5,000,000 Hong Kong Offer Shares and 45,000,000 International Offer Shares)
Over-allotment Option	:	Up to 15.0% of our initial Offer Shares
Offer Price per Share	:	HK$9.90 to HK$12.60 per Share
Offering structure	:	90% International Offering and 10% Hong Kong Public Offering (subject to reallocation and the Over-allotment Option)

	Based on an Offer Price of HK$9.90	**Based on an Offer Price of HK$12.60**
Market Capitalization	HK$1,980 million	HK$2,520 million
Unaudited *pro forma* adjusted net tangible assets per Share[(1)(2)]	HK$5.45	HK$6.11

Notes:

(1) See the section headed "Appendix II—Unaudited Pro Forma Financial Information" in this prospectus for details.

(2) The unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2018 does not take into account the dividend in an amount of approximately US$13.7 million declared on June 5, 2019. For illustrative purpose, had such dividend been taken into account, the unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2018 per Share would have been further adjusted as HK$4.92 based on Offer Price of HK$9.90 per Offer Share and HK$5.58 based on Offer Price of HK$12.60 per Offer Share. See the section headed "Appendix II—Unaudited Pro Forma Financial Information" in this prospectus for details.

LISTING EXPENSES

Our total listing expenses (including underwriting commission) are estimated to be approximately RMB64.3 million, based on the mid-point of the Offer Price range stated in this prospectus and assuming that the Over-allotment Option is not exercised. As of December 31, 2018, we had incurred listing expenses of RMB22.5 million. We expect to further incur listing expenses of approximately RMB35.3 million, of which RMB18.6 million will be recognized as administrative expenses and RMB16.7 million as a deduction in equity. We do not believe the remaining listing expenses will have a material adverse impact on our results of operations for the year ending December 31, 2019.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering we will receive, assuming an Offer Price of HK$11.25 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK$507.7 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option and any options which may be granted under the Share Option Scheme are not exercised. We intend to use the net proceeds of the Global Offering for the following purposes:

(i) approximately 30%, or HK$152.3 million, will be used to further expand our business scale and market share;

(ii) approximately 30%, or HK$152.3 million, will be used to invest in R&D, strengthen our technological capabilities and develop a digital workforce platform;

(iii) approximately 25%, or HK$126.9 million, will be used to seek strategic mergers and acquisitions;

(iv) approximately 5%, or HK$25.4 million, will be used to further invest in brand building and digital marketing; and

(v) approximately 10%, or HK$50.8 million, will be used for general corporate purposes and working capital.

In the event that we receive net proceeds from the Global Offering higher or lower than the estimated amount stated above, we will increase or decrease the intended use of the net proceeds for the above purposes on a *pro rata* basis. For details, including our reasons for the Listing, see the section headed "Future Plans and Use of Proceeds."

In this prospectus, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this prospectus.

"Accountants' Report"	the accountants' report of our Company prepared by our reporting accountants set out in Appendix I to this prospectus
"Application Form(s)"	**WHITE** Application Form(s), **YELLOW** Application Form(s) and **GREEN** Application Form(s) or, where the context so requires, any of them
"Articles of Association" or "Articles"	the amended and restated articles of association of our Company, conditionally adopted on June 5, 2019 which will become effective upon Listing and as amended, supplemental or modified from time to time, a summary of which is set out in Appendix III to this prospectus
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"business day"	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are open for normal banking business
"BVI"	British Virgin Islands
"CAGR"	compound annual growth rate
"Capitalization Issue"	the issue of 135,097,920 Shares to be made on the capitalization of certain sums standing to the credit of the share premium account of our Company referred to in the section headed "A. Further Information about our Group" in Appendix IV to this prospectus
"Cayman Companies Law" or "Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant

"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Broker Participant, CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"CIC"	China Insights Consultancy Limited, an independent market research expert
"CIC Report"	the market research report prepared by CIC, commissioned by us
"CITIC PE Associates II"	CITIC PE Associates II, L.P., an exempted limited partnership registered in the Cayman Islands on September 30, 2013, the general partner of CPEChina Fund II and one of our Controlling Shareholders
"CITIC PE Funds II"	CITIC PE Funds II Limited, a company incorporated in the Cayman Islands with limited liability on September 26, 2013, the general partner of CITIC PE Associates II and one of our Controlling Shareholders
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"CM Phoenix Tree"	CM Phoenix Tree Limited, a company incorporated in the BVI with limited liability on September 4, 2014 and one of our Controlling Shareholders
"CM Phoenix Tree II"	CM Phoenix Tree II Limited, a company incorporated in the BVI with limited liability on July 29, 2015 and one of our Controlling Shareholders
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), which became effective on March 3, 2014 and as amended, supplemented or otherwise modified from time to time
"Companies (Winding up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

"Company" or "our Company"	ManpowerGroup Greater China Limited (万宝盛华大中华有限公司) (formerly known as ManpowerGroup Greater China (Cayman) Limited), an exempted company incorporated under the laws of Cayman Islands with limited liability on September 26, 2014
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, in the context of our Company for the purposes of this prospectus and the Listing, means MAN, CM Phoenix Tree, CM Phoenix Tree II, CPEChina Fund II, CITIC PE Associates II and CITIC PE Funds II
"CPEChina Fund II"	CPEChina Fund II, L.P., an exempted limited partnership registered in the Cayman Islands on September 30, 2013 and one of our Controlling Shareholders
"CPE Deed of Non-competition"	the deed of non-competition dated June 10, 2019 given by CM Phoenix Tree in favor of our Company (for itself and on behalf of each of its subsidiaries from time to time), particulars of which are set out in the section headed "Relationship with our Controlling Shareholders—Non-Competition Undertakings" in this prospectus
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Deed of Indemnity"	the deed of indemnity dated June 13, 2019 and entered into by MAN and CM Phoenix Tree in favor of our Company (for itself and as trustee for each of its present subsidiaries), pursuant to which MAN and CM Phoenix Tree agree to provide with us certain indemnities, a summary of which is set out in the section headed "D. Other Information—2. Tax and other indemnities" in Appendix IV to this prospectus
"Director(s)"	the director(s) of our Company

"Event Elite"	Event Elite Production and Promotion Limited, a company incorporated in Hong Kong with limited liability on July 12, 2000 and an indirect subsidiary of our Company, held as to approximately 50.99% by Manpower Services HK and as to approximately 29.41% and 19.60% by Mr. Lee Chun Man and Mr. Yeung Cheung Sang, both directors of Event Elite and connected persons of our Company, respectively
"Experis Beijing"	萬寶瑞華人才管理諮詢(北京)有限公司 (Experis Management Consulting (Beijing) Co., Ltd.*), a limited company established under the laws of the PRC on January 12, 2015 and an indirect wholly-owned subsidiary of our Company
"Experis Shanghai"	萬寶瑞華人才管理諮詢(上海)有限公司 (Experis Management Consulting (Shanghai) Co., Ltd.*), a limited liability company established under the laws of the PRC on May 22, 2012 and an indirect wholly-owned subsidiary of our Company
"Experis Shenzhen"	萬寶瑞華人才管理諮詢(深圳)有限公司 (Experis Management Consulting (Shenzhen) Co., Ltd.*), a limited company established under the laws of the PRC on May 8, 2019 and an indirect wholly-owned subsidiary of our Company
"GDP"	gross domestic product
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Greater China"	the geographic region comprising the PRC, Hong Kong, Macau and Taiwan
"**GREEN** Application Form(s)"	the application form(s) to be completed by the **White Form eIPO** Service Provider, Computershare Hong Kong Investor Services Limited
"Group" or "our Group"	our Company and its subsidiaries or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong

"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Legal Counsel"	Mr. Clay Huen, barrister-at-law in Hong Kong, our legal counsel as to Hong Kong law to advise on certain aspects of our Group in Hong Kong
"Hong Kong Offer Shares"	the 5,000,000 Offer Shares initially being offered by us for subscription at the Offer Price under the Hong Kong Public Offering, subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), on the terms and subject to the conditions described in this prospectus and the Application Forms
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering whose names are set forth in the section headed "Underwriting—Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the Hong Kong underwriting agreement dated Wednesday, June 26, 2019 relating to the Hong Kong Public Offering entered into by our Company, our executive Director, MAN, CM Phoenix Tree, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Hong Kong Underwriters, as further described in the section headed "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Hong Kong Underwriting Agreement" in this prospectus

"HR Interim Provisions"	the Interim Administrative Provisions for Sino-Foreign Equity Joint Venture Talent Intermediary Service Agencies (中外合資人才中介機構管理暫行規定) issued by the Ministry of Personnel, the Ministry of Commerce and the State Administration of Industry and Commerce of the PRC on September 4, 2003, which was last amended by the Ministry of Human Resources and Social Security of the PRC on April 30, 2015
"HR Service License"	human resource service license for engaging in human resource businesses in the PRC, including Internet-based job information services, candidate recommendation, recruitment, candidate training, candidate appraisal, collection, processing, storage and publication of information about human resources supply and demand, and relevant consulting services, and/or other businesses stipulated in relevant PRC laws and regulations
"IFRS"	International Financial Reporting Standards
"independent third party(ies)"	an individual(s) or a company(ies) who or which is/are not considered a connected person(s) of our Company under the Listing Rules
"Initial Group Shareholders"	MAN and Manpower Nominees
"International Offering"	the offer of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S, as further described in the section headed "Structure of the Global Offering" in this prospectus
"International Offer Shares"	the 45,000,000 Shares being initially offered for subscription under the International Offering together with any additional Shares that may be issued by us pursuant to any exercise of the Over-allotment Option, subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the underwriters of the International Offering

"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering which is expected to be entered into by our Company, our executive Director, MAN, CM Phoenix Tree, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the International Underwriters on or around the Price Determination Date, as further described in the section headed "Underwriting—Underwriting Arrangements and Expenses—The International Offering" in this prospectus
"Joint Bookrunners"	Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited, Orient Securities (Hong Kong) Limited and ABCI Capital Limited
"Joint Global Coordinators"	Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited and Orient Securities (Hong Kong) Limited
"Joint Lead Managers"	Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited, Orient Securities (Hong Kong) Limited, ABCI Securities Company Limited and First Shanghai Securities Limited
"Labor Contract Law"	the PRC Labor Contract Law (中華人民共和國勞動合同法) promulgated on June 29, 2007, which became effective on January 1, 2008
"Labor Dispatch Provisions"	the Interim Provisions on Labor Dispatch (勞務派遣暫行規定) issued by the Ministry of Human Resources and Social Security of the PRC on January 24, 2014, which became effective on March 1, 2014
"Labor Law"	the PRC Labor Law (中華人民共和國勞動法) promulgated on July 5, 1994, which became effective on January 1, 1995
"Latest Practicable Date"	June 18, 2019, being the latest practicable date for ascertaining certain information in this prospectus prior to its publication
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange
"Listing Date"	July 10, 2019, being the date on which dealings in our Shares are expected to first commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

"Macau"	the Macau Special Administrative Region of the PRC
"Macau Legal Advisors"	MdME | Lawyers, our legal advisors as to Macau law
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of 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 one of our Controlling Shareholders
"MAN Group"	MAN and its subsidiaries and, for the purpose of this prospectus, excluding our Group
"MAN Deed of Non-competition"	the deed of non-competition dated June 13, 2019 entered into between MAN and our Company (for itself and on behalf of each of its subsidiaries from time to time), particulars of which are set out in the section headed "Relationship with our Controlling Shareholders— Non-Competition Undertakings" in this prospectus
"Manpower BVI"	ManpowerGroup Greater China (BVI) Limited, a company incorporated in the BVI with limited liability on September 30, 2014 and a wholly-owned subsidiary of our Company
"Manpower China"	萬寶盛華人力資源(中國)有限公司 (ManpowerGroup (China) Human Resources Co., Ltd.*) (formerly known as 上海萬寶盛華人力資源有限公司 (Manpower Human Resources (Shanghai) Co., Ltd*)), a limited liability company established under the laws of the PRC on March 18, 2003 and an indirect wholly-owned subsidiary of our Company
"Manpower Enterprise Management"	萬寶盛華企業管理諮詢(上海)有限公司 (Manpower Enterprise Management Consulting (Shanghai) Co., Ltd.*) (formerly known as 萬寶盛華僱員服務(上海)有限公司 (Manpower Staffing Services (Shanghai) Co., Ltd.*)), a limited liability company established under the laws of the PRC on February 10, 2012 and an indirect wholly-owned subsidiary of our Company

"ManpowerGroup Solutions HK"	ManpowerGroup Solutions Holdings Hong Kong Limited, a company incorporated in Hong Kong with limited liability on October 8, 2014 and an indirect subsidiary of our Company, held as to approximately 60.00% by Manpower Services HK and approximately 40.00% by Manpower Holdings, a wholly-owned subsidiary of MAN
"Manpower Ruixin"	萬寶盛華睿信教育科技廣東有限公司 (Manpower Ruixin Education Technology Guangdong Co., Ltd.*), a limited company established under the laws of the PRC on August 18, 2016 and an indirect wholly-owned subsidiary of our Company
"Manpower HK"	ManpowerGroup Greater China (HK) Limited, a company incorporated in Hong Kong with limited liability on October 8, 2014 and an indirect wholly-owned subsidiary of our Company
"Manpower Holdings"	Manpower Holdings, Inc., a company incorporated in the State of Delaware, the United States on May 6, 1996, a wholly-owned subsidiary of MAN and one of our Shareholders
"Manpower Information Technology"	萬寶盛華信息科技(上海)有限公司 (Manpower Information Technology (Shanghai) Co., Ltd.*) (formerly known as 萬寶盛華商務諮詢(上海)有限公司 (Manpower Business Consulting (Shanghai) Co., Ltd.*)), a limited liability company established under the laws of the PRC on July 25, 2014 and an indirect wholly-owned subsidiary of our Company
"Manpower Nominees"	Manpower Nominees Inc., a company incorporated in the State of Wisconsin, the United States on May 23, 1995, a wholly-owned subsidiary of MAN and one of our Shareholders
"Manpower Outsourcing Macau"	Manpower Outsourcing Services (Macau) Limited, a company incorporated in Macau with limited liability on July 6, 2017 and an indirect wholly-owned subsidiary of our Company
"Manpower Services HK"	Manpower Services (Hong Kong) Limited (formerly known as Torrington Company Limited), a company incorporated in Hong Kong with limited liability on January 6, 1997 and an indirect wholly-owned subsidiary of our Company

"Manpower Services Macau"	Manpower Services (Macau) Limited, a company incorporated in Macau with limited liability on July 26, 2007 and an indirect wholly-owned subsidiary of our Company
"Manpower Services Taiwan"	萬寶華企業管理顧問股份有限公司 (Manpower Services (Taiwan) Co., Ltd.*), a company established in Taiwan with limited liability on July 23, 1997 and an indirect subsidiary of our Company, held as to approximately 99.99% by ManpowerGroup Solutions HK and approximately 0.01% in aggregate by MAN directly and through certain of its subsidiaries indirectly
"Memorandum" or "Memorandum of Association"	the memorandum of association of our Company, as amended from time to time
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)(formerly known as the Ministry of Information Industry (信息產業部))
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"MOP"	Macau pataca, the lawful currency of Macau
"NT$" or "NT dollars"	New Taiwan dollars, the lawful currency of Taiwan
"NYSE"	the New York Stock Exchange
"Offer Price"	the final HK dollar price per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) at which the Hong Kong Offer Shares are to be subscribed under the Hong Kong Public Offering and the International Offer Shares are to be offered under the International Offering, to be determined in the manner further described in the section headed "Structure of the Global Offering—Price Determination of the Global Offering" in this prospectus
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares, including the additional Shares that might be issued under any exercise of the Over-allotment Option

"Over-allotment Option"	the option expected to be granted by us to the International Underwriters exercisable by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters) under the International Underwriting Agreement, pursuant to which our Company may be required to issue up to an aggregate of 7,500,000 new Shares (representing in aggregate 15% of the Shares initially offered under the Global Offering), at the final Offer Price, to cover over-allocations in the International Offering, if any, details of which are described in the section headed "Structure of the Global Offering" in this prospectus
"PRC" or "China"	the People's Republic of China and, except where the context requires and only for the purpose of this prospectus, references in this prospectus to the PRC or China do not apply to Hong Kong, Macau or Taiwan
"PRC government"	the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities, or, where the context requires, any of them
"PRC Legal Advisors"	Tian Yuan Law Firm, our legal advisors as to PRC law
"Price Determination Agreement"	the agreement expected to be entered into by the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date to determine the final Offer Price
"Price Determination Date"	the date on which the Offer Price is to be fixed by the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us, which is expected to be on or around Wednesday, July 3, 2019 and in any event not later than Monday, July 8, 2019
"Regulation S"	Regulation S under the U.S. Securities Act

"Reorganization"	the corporate reorganizations undergone by our Group in preparation for the Listing described in the section entitled "History, Development and Reorganization—Reorganization" in this prospectus
"Right Management HK"	Right Management Hong Kong Holdings Limited, a company incorporated in Hong Kong with limited liability on October 20, 2014 and an indirect wholly-owned subsidiary of our Company
"Right Management Shanghai"	睿仕管理諮詢(上海)有限公司 (Right Management Consulting (Shanghai) Co., Ltd.*), a limited liability company established under the laws of the PRC on January 20, 2015 and an indirect wholly-owned subsidiary of our Company
"RMB"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
"SAIC"	the State Administration for Industry and Commerce of the PRC (中國國家工商行政管理總局), including, as the context may require, its local counterparts
"SASAC"	the State-owned Assets Supervision and Administration Commission of the PRC State Council (中國國務院國有資產監督管理委員會)
"SAT"	the State Administration of Taxation of the PRC (中國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with a nominal value of HK$0.01 each in the share capital of our Company

"Share Option Scheme"	the share option scheme conditionally approved and adopted by our Company on June 5, 2019, a summary of its principal terms is set forth in the section headed "D. Other Information—1. Share Option Scheme" in Appendix IV to this prospectus
"Shareholder(s)"	holder(s) of Share(s)
"Sole Sponsor"	Huatai Financial Holdings (Hong Kong) Limited
"sq.m."	square meter(s)
"Stabilizing Manager"	Huatai Financial Holdings (Hong Kong) Limited
"Stock Borrowing Agreement"	the stock borrowing agreement to be entered into between the Stabilizing Manager as borrower and CM Phoenix Tree as lender on or around the Price Determination Date
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Taiwan Legal Advisors"	Lee and Li, Attorneys-at-Law, our legal advisors as to Taiwan law
"Tax Reform Plan"	the Reform Plan of the State Tax and Local Tax Collection Administration System (國税地税徵管體制改革方案) issued by the General Office of the Communist Party of China and the General Office of the State Council of the PRC on July 20, 2018
"Track Record Period"	the period comprising three financial years of our Company ended December 31, 2018
"U.S. Securities Act"	the United States Securities Act of 1933, as amended
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement

"United States" or "U.S."	the United States of America, its territories and possessions
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"**WHITE** Application Form(s)"	the application form(s) for the Hong Kong Offer Shares for use by members of the public who require such Hong Kong Offer Shares to be issued in an applicant's own name
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of White Form eIPO at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Xi'an Fesco"	西安外國企業服務有限公司 (Xi'an Foreign Enterprise Service Co., Ltd.*), a limited liability company established under the laws of the PRC on May 29, 1997 and an indirect subsidiary of our Company, held as to 60% by Manpower China and 40% in aggregate by five independent third party shareholders (by virtue of Xi'an Fesco being an insignificant subsidiary of our Company as defined under the Listing Rules)
"**YELLOW** Application Form(s)"	the application form(s) for the Hong Kong Offer Shares for use by members of the public who require such Hong Kong Offer Shares to be deposited directly into CCASS

* *For identification purposes only*

Unless otherwise expressly stated or the context otherwise requires, all data in this prospectus are as of the date of this prospectus and all references to any shareholdings in our Company following the completion of the Global Offering assuming that the Over-allotment Option or any options which may be granted under the Share Option Scheme are not exercised.

For the purpose of this prospectus, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions. References to "we" or "us" are to our Company or our Group, as the context may require. "%" refers to per cent.

This glossary contains definitions of certain terms used in this prospectus in connection with our Company and our business. Some of these may not correspond to standard industry definitions.

"associate"	in the context of our flexible staffing business, a worker who is employed by our Company and outsourced to work on client premises and typically under client instruction and supervision
"consultant"	in the context of our headhunting business, a non-partner headhunter
"cloud"	a term referring to accessing computer, information technology and software applications through a network connection, often by accessing data centers using wide area networking of Internet connectivity
"DRP"	acronym for "disaster recovery plan," the step-by-step exercise performed by our Company which consists of the precautions to minimize the effects of a disaster so the Company can resume operation quickly in case of disruption
"gig economy"	a free market system in which temporary positions are common and organizations contract with independent workers for short-term engagements
"headhunter"	an employment recruiting professional. Our headhunters include headhunting partners and consultants
"human resource" or "HR"	the function in an organization which performs human resource management, overseeing various aspects of employment and some aspects of recruitment
"ICP license"	Value-added Telecommunications Services Operating License for providing commercial Internet information services in PRC
"key account"	our clients from whom we historically generated and in the future expect to continue to generate relatively large revenue, or on whom our management places focus due to their growth potential, market reputation, *etc.*

"KPI"	acronym for "key performance indicator," a measurable value that demonstrates how effectively our Company is achieving key business objectives
"MEOS"	acronym of "ManpowerGroup Employment Outlook Survey," the market survey report published by MAN quarterly in relation to global employment data and outlook
"MFA authenticator"	acronym of "multi-factor authentication," the security system that requires more than one method of authentication from independent categories of credentials to verify the user's identity
"P3 leader model"	the leadership model which focuses on assessing inherent leadership enablers used to manage, develop and inspire talent, P3 is an acronym for "people," "purpose" and "performance"
"payroll service"	one of our other HR services in which we offer the payment of salaries and wages, bonuses or other compensation and benefits to our clients' employees on their behalf
"RPO"	acronym of "recruitment process outsourcing," in which we provide outsourcing services to manage the recruiting and on-boarding process for our clients
"upskill *(noun)*"	skill-based training we offer to enable workers to learn or upgrade their skills

This prospectus contains certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. All statements other than statements of historical fact contained in this prospectus, including, without limitation, those regarding our future financial position, strategies, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate and any statements preceded by, followed by or that include the words "aim," "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would" and similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements reflecting our current views with respect to future events are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, without limitation, the risk factors set forth under the section headed "Risk Factors" in this prospectus and the following:

- future developments, trends and conditions in the industry and markets in which we operate;
- our business strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment and general outlook in the industry and markets in which we operate;
- the effects of changes in the global financial markets and economic conditions;
- the amount and nature of, and potential for, future development of our business;
- capital market developments; and
- the actions and developments of our competitors.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. We caution you not to place undue reliance on any forward-looking statements or information. In this prospectus, statements of or references to the intentions of our Company or any of our Directors are made as at the date of this prospectus. Any such intentions may potentially change in light of future developments. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

An investment in our Shares involves various risks. You should carefully consider the following information about risks, together with the other information contained in this prospectus, including our combined financial information and related notes, before you decide to purchase our Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial position and prospects would likely suffer. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment.

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to conducting business in the Greater China region; and (iii) risks relating to the Global Offering. Additional risks and uncertainties that are not presently known to us or that we currently deem immaterial may develop and become material and could also harm our businesses, financial position and results of operations.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our results of operations could be materially and adversely affected by volatile or uncertain conditions, and demand for our services could be disrupted by geopolitical events such as the U.S.-China trade war and the Brexit.

There is a risk that, when global economic conditions are unstable or volatile, we could experience declines in demand for our services. Differing economic conditions and patterns of economic growth or contraction may affect demand for our services. Even without uncertainty and volatility, it is difficult for us to forecast future demand for our services due to the inherent difficulty in forecasting the direction and strength of economic cycles, and the short-term nature of many of our staffing assignments.

China's economic growth may also slow down due to weakened exports as well as recent developments surrounding the trade war with the United States. Starting in March 2018, the United States imposed tariffs on steel and aluminum imports from China, and later on July 6, 2018, the United States imposed 25% tariffs on US$34 billion worth of Chinese goods as part of U.S. President Donald Trump's tariffs policy. In retaliation, the PRC responded with similarly sized tariffs on United States' products. On September 17, 2018, U.S. President Donald Trump imposed 10% tariffs on approximately US$200 billion worth of Chinese goods and announced to further increase the rate to 25% in January 2019. In return, the PRC responded with tariffs on US$60 billion of U.S. goods. The rhetoric surrounding the trade war continues to escalate and neither side has been willing to resume stalled trade negotiations. On May 10, 2019, the U.S. increased tariffs on US$200 billion worth of Chinese products from 10% to 25%. U.S. President Donald Trump also announced that he would come up with new tariffs of 25% on an additional US$325 billion worth of Chinese goods, which would cover essentially all remaining Chinese products. On May 13, 2019, China announced that it would increase tariffs on US$60 billion worth of U.S. goods from June 1, 2019 in response to the tariff increases imposed by the U.S. on May 10, 2019. Moreover, since May 2019, the U.S. has banned six Chinese technology firms from exporting certain sensitive U.S. goods. The amicable resolution of such a trade war remains elusive, and the lasting impacts any trade war may have on the PRC economy and the industries our clients operate in remain uncertain. Such volatile economic conditions may cause clients to reduce or defer projects for which they utilize our services, thereby negatively affecting demand

for them. When it is difficult for us to accurately forecast future demand, we may not be able to determine the optimal level of personnel and office investments necessary to profitably operate our business or take advantage of growth opportunities. In particular, we serve technology and related industries in China. To the extent participants in such industries are targeted by U.S. tariffs or otherwise adversely affected by the trade war such as U.S.'s ban on exports of certain suppliers, their demand for our services may decrease. As a result, our business, results of operations and financial condition may be adversely affected. As described in "Business—Our Services—Flexible Staffing" and "—Headhunting," in 2016, 2017 and 2018, for the whole Greater China region, 12.2%, 12.5% and 19.1%, respectively, of our total associates placed in the flexible staffing business and 15.6%, 13.0% and 12.1%, respectively, of our total placements in the headhunting business fell under the information technology category. Some of these customers are China-based technology companies that may be adversely affected by the trade war if it escalates or becomes protracted. If this happens, our repeat business with such customers may be harmed. In addition, if the US-China trade war escalates, we cannot assure you that there might not be government backlash in China against US companies or companies with perceived US connections such as us, including in connection with material license applications and renewals.

The global markets can also be negatively affected by uncertain and volatile economic conditions. Since the global financial crisis which began in 2007, the outlook for the world economy and financial markets has remained uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the unemployment rate remains high, and recovery in the housing market remains subdued. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow, or both. In the Middle East, political unrest in various countries has resulted in economic instability and uncertainty. China's economic growth may slow down due to weakened exports. On June 23, 2016, the United Kingdom held a remain-or-leave referendum on its membership within the European Union, the result of which favored the exit of the United Kingdom from the European Union ("**Brexit**"). A process of negotiation will determine the future terms of the United Kingdom's relationship with the European Union, as well as whether the United Kingdom will be able to continue to benefit from the European Union's free trade and similar agreements. There is no assurance that the United Kingdom and the European Union will reach agreements on the departing terms from such negotiation, or any agreements reached will receive internal approval on either side. The adverse impact of Brexit, in particular a disorderly "no-deal" Brexit, is difficult to assess. This event has resulted in a downgrade of the credit ratings of the United Kingdom and the uncertainty before, during and after the period of negotiation may also create a negative economic impact and increase volatility in global markets, including the markets where our clients and we operate, which may cause clients to reduce or defer projects for which they utilize our services, thereby negatively affecting demand for our services, our business, results of operations and financial condition.

Furthermore, our profitability is sensitive to decreases in demand. When demand drops or remains low, our operating profit is typically impacted unfavorably as we experience a deleveraging of our selling and administrative expense base as expenses may not decline as quickly as revenue. In periods of decline, we may not be able to reduce selling and administrative expenses without negatively impacting the long-term potential of our market presence and brand image. Additionally, during periods of decline or uncertainty, companies may slow the rate at which they pay their vendors, or become unable to pay their obligations altogether. If our clients become unable to pay amounts owed to us, or pay us more slowly, our cash flow and profitability may suffer.

If we fail to consistently deliver quality services, we may not be able to retain existing clients and attract new clients, which may adversely impact our business, financial condition and results of operations.

We are a professional services business reliant on client relationships. Any significant loss of clients will lead to a drop in the engagement of our employees. In order to grow our business, we must continually attract new clients, retain existing clients and sell additional services to existing clients. Our ability to do so depends in large part on the success of our sales and marketing efforts and our ability to design and deliver workforce solutions that are attractive to our clients. Furthermore, the nature of our services is such that clients may decide to terminate or not renew their agreements with us without causing significant disruptions to their own businesses. We must demonstrate that our workforce solutions are valuable to the overall human resources function of our clients' business. We may experience declines or fluctuations in our client base due to numerous factors, including the pricing of our services, the pricing of similar services offered by our competitors, reduced hiring needs by our clients or reductions in their human resources spending due to macroeconomic or other factors out of our control, as well as the quality and cost-effectiveness of our workforce solutions. If our clients do not renew their agreements with us, renew on less favorable terms, or do not purchase additional services from us, our revenue may grow more slowly than expected or decline.

To satisfy our clients, we need to continue to improve the breadth and quality of our services. This includes continuing to improve our technology and data capabilities to increase operational efficiency, expand our outsourcing services through recruitment and investment in our talent in order to develop unique skill-sets and provide valuable services to our clients. We cannot assure you that our initiatives will be successful. We also cannot predict whether our services will be well received by clients. If we fail to provide quality workforce solutions and convince clients of our value proposition, we may not be able to retain existing clients or attract new business, and our financial condition and results of operations may be materially and adversely affected.

We may not compete successfully in a rapidly evolving market.

The HR services market in Greater China is fragmented and competitive. We face constant pressure to attract and retain clients and expand the market for our services. We face competition in our various lines of services from companies who focus exclusively on a particular HR service and from those who offer such HR services as part of their broader service offerings. Some large HR services companies have more management expertise, longer operating history and greater resources than us. In addition, we also face competition from Internet companies that offer similar and cheaper HR services. Such companies may offer users a variety of services, social network functions and tools that are not provided by us, or have additional monetization channels such as marketing and advertising solutions that could attract more business.

We compete with these competitors for clients. From time to time, our clients may decide not to renew their contracts upon expiration for various reasons. They may also decide to switch to our competitors' services. Some of our competitors or potential competitors have longer operating histories and may have greater resources, capabilities and expertise in management, technology, finance, product development, sales, marketing and other areas than we have. They

may use their experience and resources to compete with us in a variety of ways, including providing better services, acquiring clients via various channels, investing more in research and development and making acquisitions. If we are unable to compete effectively, successfully and at reasonable cost against our existing and future competitors, our business prospects, financial condition and results of operations could be materially and adversely affected.

Additionally, government agencies have increased the amount of information to which they provide free public access. Public sources of free or relatively inexpensive information may reduce demand for our services. Our revenue could decrease to the extent that clients decide not to purchase our services and instead rely on information at no or less cost from public sources, which may have an adverse effect on our business, financial condition and results of operations.

Furthermore, the HR services market in Greater China is relatively new, dynamic and rapidly evolving. It is difficult to predict with great assurance the rate and size of its future growth. The market is increasingly influenced by the frequent introduction of new competitors and services driven by ever-changing market demand. We believe that our future success will depend largely on our ability to anticipate service innovations and offer additional services that meet evolving standards and demands on a timely and cost-effective basis. However, we cannot assure you that we will be able to successfully identify new opportunities or introduce these opportunities to our current and potential clients in a timely and cost-effective manner. There are also other factors that are beyond our control, such as the future general acceptance and use of HR services in Greater China, which reduce our ability to accurately evaluate our future prospects. As a result, any changes in HR services market acceptance in the future may have a material adverse effect on our business and results of operations.

Concerns about our collection, storage, use and disclosure of personal data and other privacy-related matters could damage our reputation and deter use of our services.

We deal in a significant amount of personal data and other private information in the ordinary course of our business, including, for example, candidates' resumes and salary information. Concerns about our practices with regard to the collection, storage, use or disclosure of personal data or other privacy-related matters could damage our reputation and operations.

The PRC. We are required to collect, store, use and disclose the personal data in accordance with PRC personal data protection laws and not to collect, store, use or disclose such information without consent from the relevant individuals. Pursuant to the General Rules of Civil Law of the PRC (中華人民共和國民法總則) effective in October 2017, any organization that obtains personal data shall ensure the security of such data. It is not allowed to illegally collect, use, process or transfer the personal data and it is illegal to buy and sell, disclose or publish the personal data. Anyone whose civil rights and civil interests, including personal data, are infringed upon shall have the right to seek tort liability against the infringer. In addition, the Cyber Security Law of the PRC (中華人民共和國網絡安全法) effective on June 1, 2017 stipulates that no individuals or organizations may steal or otherwise illegally obtain personal information or illegally sell or provide personal information to others. If we are held to have violated such requirements, we may be subject to potential penalties depending on the nature of the violation, including confiscation of illegal earnings and fines. Moreover, Amendment 9 to the PRC Criminal Law (中華人民共和國刑法修正案(九)) effective on November 1, 2015 prohibits

illegal sale and disclosure of personal data obtained during the course of providing services. Furthermore, practices regarding the collection, use, disclosure and security of personal data by network operators have recently come under increased public scrutiny and may be subject to increased regulation by the PRC government. The PRC law on personal information protection was included in the Legislation Plan of the Standing Committee of the Thirteenth NPC in September 2018.

Hong Kong. Pursuant to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), we are obliged to keep all personal information collected from or provided by clients and candidates strictly confidential. If there is any breach of confidentiality by us or any personal data provided are leaked to or obtained by third parties, our clients may take legal action against us for damages and/or compensation for the loss that may have arisen or been incurred therefrom.

Macau. Law No. 8/2005, dated August 22, 2005, regulates the collection, usage and disclosure of personal data, under which the following acts are subject to the consent of the data holder and notification to authorities may also be required: collection, usage and disclosure of personal data; transfer of personal data out of Macau; and interconnection of data. Failure to comply with the provisions in such law may trigger civil and criminal liabilities.

Taiwan. The Personal Data Protection Act (個人資料保護法) of Taiwan regulates the collection, processing and use of personal data in the territory. The Personal Data Protection Act took effect on October 1, 2012, and applies to any person who collects, processes or uses personal data. Any breach of the obligations imposed by the Personal Data Protection Act may result in civil and criminal liabilities, as well as administrative penalties and orders. The Ministry of Justice of Taiwan has promulgated the Enforcement Rules to the Personal Data Protection Act (個人資料保護法施行細則). In addition, the Regulations Governing Personal Information File Security Maintenance Plan and Processing Method for the Human Resources Recruitment Industry (人力仲介業個人資料檔案安全維護計劃及處理辦法) require human resources recruitment businesses which keep personal information files to adopt proper security measures to prevent them from being stolen, altered, damaged, destroyed or disclosed. Furthermore, if privacy is involved, the general protection of privacy under the Civil Code of Taiwan would be applicable.

In addition, we may also become subject to the data protection laws of other jurisdictions if our operations for any reason implicate such jurisdictions, such as by recommending candidates from such jurisdictions or serving clients based in such jurisdictions. While we strive to comply with all applicable personal data protection laws and regulations, any failure or perceived failure to comply with any current or new laws or regulations may result in proceedings or actions against us by government entities or private individuals, which could have an adverse effect on our business. Moreover, failure or perceived failure to comply with applicable laws and regulations related to the collection, disclosure, use, sharing or security of personal data or other privacy-related matters could result in a loss of confidence in our services, which could adversely affect our business, financial condition and results of operations. We may also be subject to stricter user data and privacy-related requirements and heightened risk of non-compliance in the future. Implementing additional internal measures to comply with such enhanced compliance requirements may increase our cost and impact our financial position.

Our internal policy also requires our employees to protect the personal data of our clients and candidates, and employees who violate such policy are subject to disciplinary actions, including dismissal. We also adopt and implement a series of technology-based protective measures to prevent unauthorized collection, use or disclosure of personal data. See the section headed "Business—Privacy" in this prospectus. However, we cannot assure you that these measures are sufficient to protect our use of data. If any protection on the use of data is impaired, our reputation may be damaged as a result and our clients or candidates might be deterred to use our services.

We license our right to use trademarks and related intellectual property rights from the MAN Group. Our use of such intellectual property may be disrupted, and our business or results of operations could be harmed.

We license the right from the MAN Group to use certain trademarks and tradenames, such as "Manpower" and "Experis" which the MAN Group also uses in its global operations as well as local Chinese-language trademarks such as "万宝盛华." Our right to use such intellectual property, especially the logo version of Manpower and the tradename "Manpower," is important to our business. Pursuant to the licensing arrangement, the MAN Group licenses to us the right to use the trademarks and tradenames in connection with our operation of HR services in Greater China. The licensing arrangement has no fixed term and shall continue until MAN (directly or indirectly) ceases to be a shareholder of our Company. If the existing licensing arrangement were terminated and we failed to enter into new arrangements with the MAN Group in respect of the trademarks and tradenames, we would lose our rights to use such intellectual property. This would cause severe disruption to our business and have an adverse effect on our business, financial condition and results of operations.

We may also be exposed to the risk that third parties may use Manpower-related trademarks without authorization. Furthermore, if the MAN Group entered into a bankruptcy proceeding, our rights under the license could be unilaterally terminated by the administrator appointed by the court. The MAN Group may also opt out of the licensing arrangement for other reasons. The loss of our ability to use these marks would have a material and adverse effect on our results of operations, financial condition and business. For further information on the intellectual property licensing arrangement, see the section headed "Connected Transactions" in this prospectus.

Moreover, since we use the MAN Group trademarks and tradenames, any negative publicity associated with the MAN Group or any negative development with respect to its market position, financial condition or compliance with legal or regulatory requirements, even if unrelated to us, may have an adverse impact on our reputation, brand and business.

Our business depends on strong brands, and any failure to maintain, protect and enhance the brands we use would hurt our ability to retain or attract clients.

Our business growth has been dependent on the success of the brands we use in the market. Maintaining, protecting and enhancing the brands we use are critical to expanding our business. This will depend largely on our ability to continue to provide quality services, be an industry leader and maintain client trust, which we may not do successfully. If we do not successfully maintain strong brands, our business could be harmed. Furthermore, negative publicity about us and our business, shareholders, affiliates, directors, officers, employees and partners, as well as the industry in which we operate, can harm our operations.

Many factors, some of which are beyond our control, may negatively impact our brand image and reputation, such as:

- any failure to maintain pleasant and reliable services as clients' preferences evolve and as we expand into new services;
- any negative publicity relating to our services or the HR services industry in general, regardless of veracity, including any security breaches or service quality problems;
- complaints about our services;
- alleged misconduct or other improper activities committed by our employees or any affiliates; and
- any fraudulent, false or misleading information relating to personal information.

We had significant amounts of goodwill and therefore we might be subject to the possibility of provision of impairment losses for such goodwill.

As of December 31, 2016, 2017 and 2018, we had goodwill of RMB33.0 million, RMB65.9 million and RMB69.3 million, respectively. Valuation of goodwill requires the estimation of future cash flows, revenue, gross profit margin, operating expenses and working capital requirements. The assumptions and estimations are based on past performance, our management's expectations of market development, among other things. The uncertainties in the estimates could result in losses that materially and adversely affect our results of operations. The uncertainties underlying the relevant accounting estimates and any decrease in the value of our goodwill may adversely affect our financial condition and results of operations. In addition, we cannot assure you that we will not incur additional impairment losses on our goodwill in the future, which may materially and adversely affect our financial condition and results of operations.

We had significant amounts of other intangible assets and therefore we might be subject to the possibility of provision of impairment losses for such other intangible assets.

As of December 31, 2016, 2017 and 2018, we had other intangible assets of nil, RMB42.1 million and RMB41.7 million, respectively. Such other intangible assets are trademarks and customers relationships acquired in business combination separately from goodwill. See the section headed "Financial Information—Critical Accounting Policies and Estimates—Intangible Assets (Other than Goodwill)." Valuation of other intangible assets requires the estimation of future cash flows, revenue, gross profit margin, operating expenses and working capital requirements. The assumptions and estimations are based on past performance, our management's expectations of market development, among other things. The uncertainties in the estimates could result in losses that materially and adversely affect our results of operations. The uncertainties underlying the relevant accounting estimates and any decrease in the value of our other intangible assets may adversely affect our financial condition and results of operations. In addition, we cannot assure you that we will not incur additional impairment losses on our other intangible assets in the future, which may materially and adversely affect our financial condition and results of operations.

We are exposed to fair value changes for financial assets at fair value through profit loss and equity instruments at fair value through other comprehensive income as well as valuation uncertainties.

In 2016, 2017 and 2018, the fair value change of financial assets at fair value through profit or loss (i.e. structured deposits) was RMB0.1 million, RMB1.6 million and RMB3.5 million, respectively. Such fair value changes of financial assets at fair value through profit or loss were reflected in our profits from continuing operations for the relevant years. Therefore, our results of operations were and may be materially affected by fair value change of financial assets at fair value through profit or loss.

The carrying amount of equity instruments was measured at fair value in the consolidated statements of financial position as of December 31, 2016, 2017 and 2018. Our equity instruments are mainly investments in unlisted companies. We determine the fair value of equity instruments by reference to the recent transaction pricing for the entities or similar transactions in similar entities in the same industry. Therefore, the valuation of our equity instruments is subject to uncertainties due to the use of significant unobservable inputs.

The application of IFRS 16 will affect our statements of financial position, profile of profit and loss statements and certain key ratios including gearing ratio when it becomes effective due to our operating lease arrangements.

As of December 31, 2018, we leased office premises under certain operating lease arrangements. The minimum lease payments which we had contracted for under non-cancellable operating leases but not recognised as liabilities as of December 31, 2018 amounted to RMB88.5 million.

Beginning on January 1, 2019, we have applied IFRS 16, which provides for the new accounting treatment of leases and no longer allows lessees to recognise certain leases outside of the consolidated statements of financial position. In accordance with IFRS 16, our operating lease commitments as of December 31, 2018 fall under the definition of a lease and we will, for future financial periods, recognise a right-of-use asset and a corresponding liability in respect of all these leases and reflect the same in our consolidated statements of financial position, unless they qualify for low value or short-term leases. Accordingly, rental expenses will be replaced with straight-line depreciation expense on the right-of-use asset and interest expenses on the lease liability. The combination of the straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term. The initial adoption of IFRS 16 will likely increase our non-current assets and current and non-current liabilities in our consolidated statement of financial position and therefore affect certain financial ratios, such as decreases in current ratio, quick ratio and return on assets and increase in gearing ratio. As a result, our future financial position and results of operations will be affected.

Our employees may engage in intentional or negligent misconduct or other improper activities, or violate laws, our internal policies or policies of our clients, which could impair the quality of our service, cause us to lose clients or subject us to liability.

We risk compromising the quality of our service if our employees do not perform in accordance with our standards. We have policies and guidelines to monitor and ensure the services delivered are of satisfactory standards. We have also adopted and implemented a series

of onboarding procedures designed to verify the creditworthiness and qualifications of our employees, such as headhunting consultants. However, we cannot assure you that any of such measures would always be effective and we cannot guarantee that our employees will not commit any misconduct.

Furthermore, we may be exposed to the risks of fraud or other misconducts committed by our employees. Fraud or other misconduct by our employees may involve engaging in unauthorized misrepresentation to our potential clients, misappropriating third-party intellectual property and other proprietary rights during marketing activities, misusing sensitive personal information, and engaging in bribery or other unlawful payments. In any such event, we could, as a result, incur liability to our clients or candidates for fraud or misconduct committed by such third parties.

In addition, we may be held vicariously liable for the acts or omissions of our associates while they carry out or purport to carry out the responsibilities given to them by our clients. For instance, if our clients suffer any losses arising from their reliance on false or misleading information provided by our associates during the provision of services, we could be exposed to claims or legal actions brought by our clients and/or their customers.

Any claims could subject us to costly litigation and impose a significant strain on our financial resources and attention of management personnel regardless of whether the claims have merit, any of which could result in clients and candidates complaints, regulatory and legal liabilities, as well as serious harm to the brands we use and our reputation.

During the Track Record Period, we derived a substantial portion of our revenue from a limited number of key clients, and sudden decreases in volume or loss of business from such clients may make our cash flow and earnings volatile. Our long-term plan to reduce such dependence may not be successful.

A considerable portion of our revenue is attributable to a limited number of clients. For 2016, 2017 and 2018, our top five clients in aggregate accounted for 15.4%, 16.0% and 17.9% of our total revenue (including both continuing and discontinued operations), respectively. In particular, for 2016, 2017 and 2018, our five largest clients for flexible staffing service in aggregate accounted for 22.3%, 23.1% and 25.2%, respectively, of our revenue from flexible staffing service from continuing and discontinued operations.

We expect that such large clients will continue to account for a significant portion of our revenue in the foreseeable future. This may lead to heightened customer or credit concentration risks. Further, we cannot assure you that our existing largest clients will continue to be a source of continuing or repeat business. We do not have long-term cooperation agreements or exclusive arrangements with them and they may choose to move some or all of their business to our competitors on short notice. If we fail to retain and enhance our business relationships with our large clients, our business, financial condition, results of operations and prospects may be materially and adversely affected. If we lose our existing large clients or fail to attract new clients, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

Such concentration on large customers may also make our cash flow and earnings volatile. As of December 31, 2018, our top five clients in aggregate accounted for approximately 19.2% of our trade receivables. While we seek to limit our credit risk by setting credit terms for other clients, our clients may in the future default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons beyond our control. In the event that our clients delay or default on paying us and we do not have sufficient cash flow or are otherwise unable to obtain sufficient funds to pay the salaries and employee benefits of our outsourcing staff, our financial condition, including cash flow may be materially and adversely affected. Our long-term plan is to reduce such volatility by increasing the proportion of revenue derived from other clients over time and thus decrease our reliance on our largest clients. There is, however, no assurance that this plan will be successful.

If our security measures are compromised, or if our databases or access to telecommunication networks is subject to attacks or disruption that degrade or deny our ability to provide our services, our clients may curtail or stop use of our services.

Our services involve the storage and transmission of client and candidate data, which may be confidential, private and protected by data protection or trade secret laws. Security breaches could expose us to a risk of loss of such data, resulting in potential liability and legal actions, as well as the loss of protection of valuable trade secrets. Depending on the nature of the data, our databases are stored locally and externally for extra protection but, like all other servers, our databases are vulnerable to computer viruses, hacking, break-ins, phishing attacks, attempts to overload our servers with denial-of-service or other attacks and similar disruptions from unauthorized use of our computer systems, any of which could lead to interruptions, slow response times, delays or website shutdowns, causing loss of critical data or the unauthorized disclosure or use of personally identifiable or other confidential information. If we experience compromises to our security that result in negative performance or availability problems such as the inability to access our databases when required, or the loss or unauthorized disclosure of confidential information, our clients may lose trust and confidence in us, and decrease the use of or stop using our services in its entirety. Further, external parties may attempt to induce our employees to disclose sensitive information about us or our clients. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address these techniques or to implement adequate preventative measures.

Any or all of these issues could negatively impact our ability to protect our valuable trade secrets, attract candidates, develop new business and increase engagement of existing clients, and could cause existing clients to end their contracts with us, or subject us to third-party lawsuits, regulatory fines or other actions or liabilities, thereby harming our reputation and operating results. Furthermore, we may incur significant costs to protect our systems and equipment against the threat of, and to repair any damage caused by computer viruses, hacking, break-ins, phishing attacks, attempts to overload our servers with denial-of-service or other attacks and similar disruptions. If a computer virus or hacking affects our systems and is highly publicized, our reputation could be materially damaged and usage of our services may decrease. In addition, the inadvertent transmission of computer viruses could expose us to a material risk of loss or litigation and possible liability.

If our candidate databases are outdated or lacks credible information, we may not be able to create value for our clients, which could adversely impact the growth of our business.

If our candidate databases are not accurate, the value of our services may be adversely impacted as we rely on our databases as our source to recommend suitable candidates to our clients. Although we require our candidates to provide authentic and complete information, we cannot assure you that such measures are effective in ensuring the accuracy of our candidate profiles. For example, candidates may still provide misleading or incomplete information, which may cause us to misidentify a candidate and thus erode our clients' confidence in our services. Although our contracts with our clients usually require them to independently verify the information provided by candidates, our business, results of operations and reputation may nonetheless be negatively affected by fraudulent resumes.

We require our headhunters and other employees to stay in regular touch with our flexible staffing and headhunting candidates and refresh their profiles on a timely manner to make sure the databases contain up-to-date information. Only accurate and timely information can yield to effective talent recommendations and efficient recruitment results. If we fail to maintain up-to-date databases, our business and operating results could be adversely affected.

Demand for some of our services may decline or disappear in sectors where human labor is being or may be replaced by or disrupted by technology.

New technology may emerge and, singly or together with existing technologies, may create disruption to the traditional labor market. The introduction and acceptance of new technology may reduce demand for human labor, making some of our services unattractive or redundant. For example, the use of artificial intelligence, robotics and automation are becoming increasingly widespread throughout different industries. These innovations are able to process large amounts of data and execute transactions on a large scale, enabling decision-making capabilities that are generally not otherwise feasible technologically or economically. Adoption of new technology may render certain parts of our services obsolete and ineffective. If demand for our services is reduced due to the decrease in demand for human labor, this could have an adverse effect on our business.

Efforts to launch new services may subject us to additional risks.

From time to time, we may launch new services to expand into new markets, such as expanding flexible staffing and headhunting services or adding a new curriculum to our training and development services. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed to accommodate these services. In developing and marketing new services, we may need to invest significant time and resources. We cannot assure you whether, for example, expanding our talent pool or investing in new training and development services will be successful or sufficient to offset the costs incurred. Initial timetables for the introduction and development of new services may not be achieved and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives and shifting market preferences, may also impact the successful implementation of a new service. Failure to successfully manage these risks in the development and implementation of new services could have a material adverse effect on our business, results of operations and financial condition.

Our business may suffer if we do not successfully manage our growth.

Our business has grown significantly in recent years and we intend to continue to expand the scope and geographic reach of our services. Our total revenue from continuing operations increased from RMB1,624.1 million in 2016 to RMB2,006.9 million in 2017 and further to RMB2,491.5 million in 2018. Growing our existing business and attracting new clients may place significant demands and strain on our personnel and organizational structure, including our management, employees, technology and infrastructure. In order to manage our growth effectively, we must maintain appropriate provision of employees, associates and management with relevant expertise and develop our technology and infrastructure.

Our anticipated future growth will likely place significant demand on our management and operation efficiency. Our success in managing our growth will depend, to a significant degree, on our ability to attract more new clients and retain existing clients. If we are unable to properly and prudently manage our operations as we continue to grow, or if the quality of our services deteriorates due to mismanagement, our reputation could be severely harmed, which would materially and adversely affect our business, financial condition and results of operations.

In addition, we expect to incur additional operating expenses to support our expansion plans. In 2016, 2017 and 2018, our total operating expenses (including cost of services and selling and administrative expenses) amounted to RMB1,534.9 million, RMB1,899.3 million and RMB2,330.7 million, respectively. To manage the further expansion of our business and the growth of our operations and personnel, we need to continuously invest in our talent pool, marketing efforts, our infrastructure and technology, and improve our operational systems, procedures, compliance and controls. We also need to expand, train and manage our growing employee base, particularly those who are dedicated to recruitment and sales activities. If we fail to manage our expansion in a cost effective manner or if our investments in new technology and/or sales and marketing efforts do not result in expected returns, our business, results of operations, profitability and prospects may be materially and adversely affected.

Our results of operations may fluctuate due to seasonality.

Our operating results are subject to fluctuation partly attributable to the seasonality in the HR services market. We usually experience higher revenue in the third quarter of each year as it coincides with the peak hiring and job seeking seasons in China. In these periods, we tend to increase our effort in organizing more activities to facilitate placement of candidates or sales of our services to meet increased hiring demands, hence incurring higher costs and expenses. In contrast, we usually experience lower revenue in the first quarter of each year as a number of major holidays fall in that season, such as the Chinese New Year. Moreover, the seasonality for each of our business lines may vary. For example, we usually experience higher revenue from training and development service and HR consultancy service in the fourth quarter of each year. This seasonal variation may render operating result comparisons involving hiring season quarters inaccurate and misleading when used to predict future operating results.

Our historical financial and operating results are not indicative of our future performance.

Our revenue, expenses and operating results may vary from period to period and from year to year in response to various factors beyond our control, such as macroeconomic conditions, general level of commercial activity and market demand for HR services. We may obtain large orders and achieve great results of operations during one period, which may or may not repeat in any subsequent period. There is no assurance that we will be profitable in the future. We cannot assure you that profits will grow at the same rate as in the past in the event of natural disaster, financial crisis or other events which might occur in the future. We believe that our historical results are not indicative of our future performance and no undue reliance should be placed on our historical results to predict our future financial performance or the future performance of our Shares.

We may not be able to find appropriate talent.

Our performance depends on our ability to find appropriate talent for our clients in our flexible staffing, headhunting and RPO business lines. Our clients may need a large quantity of talent within in a short period of time, and we may not be able to find sufficient quantity of talent in a timely manner, if at all. From time to time, our clients may need specialized talent that is not easy to find. There can also be labor shortage in one or more locations we operate. If we cannot find appropriate talent for our clients on a timely manner, if at all, our business, results of operations and financial condition may be materially and adversely affected.

Our headhunting service contracts generally do not provide any obligation or commitment on the part of our clients to use our headhunting services and any loss of or substantial decline in job orders from clients could have a material adverse effect on our business, financial condition and results of operations.

In our headhunting business, although we enter into headhunting service agreements with our clients, the service agreements generally are non-exclusive and do not provide any obligation or commitment on the part of our clients to use our headhunting services. As the revenue from our headhunting services is mainly dependent on the number of candidates successfully placed by us, any loss of or substantial decline in job orders from clients could have a material adverse effect on our business, financial condition and results of operations. Besides, the duration of the headhunting service agreements with our clients is generally for one year with renewal option under certain circumstances. In the event that we are unable to secure new contracts or a similar number of contracts on a continual basis for any reason, including where the clients opt to find staff on online headhunting platforms, or, even though we secure new contracts, our clients do not give us assignments or admit the candidates we recommend, our business, financial performance and prospect will be materially and adversely affected.

If we fail to report accurately in our background screening reports, we may face liability which may not be covered or fully covered by insurance.

We may face potential liability if we fail to independently and accurately report a candidate's background to clients. In some of our services, we undertake to verify a candidate's background and credentials before referring to a client. In the event we fail to identify or report negative background information about a candidate, we may face potential liability from our clients. For example, if a client decides to hire a candidate whom we fail to identify and report a criminal record, we may face liability in the event that the client later discovers such record and suffers damages. The adverse publicity of any such event could have a material adverse impact

on our reputation. In addition, an imposition of liability that is not covered by insurance or that is in excess of our insurance coverage, could have a material adverse effect on our business, financial condition or results of operations.

We may be the subject of allegations, harassment or other detrimental conduct by employees, vendors or other third parties, which could harm our reputation and cause us to lose business.

We may be subject to allegations by third parties or employees, negative Internet postings and other adverse public exposure regarding our business, operations and staff compensation. We may also become the target of harassment or other detrimental conduct by third parties or disgruntled former or current employees. We may be subject to government or regulatory investigation or other proceedings as a result of such allegations and may be required to spend significant time and incur substantial costs to address such allegations, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all.

Additionally, allegations, directly or indirectly against us, with or without merit, may be posted on the Internet, including social media platforms, by anyone, whether or not related to us, on an anonymous basis. Any negative publicity can be quickly disseminated through social media platforms, often without filters or checks on accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our reputation, business or prospects. Our reputation may be negatively affected as a result of the public dissemination of negative and potentially false information about our business and operations.

We depend on our core management and key employees to grow and operate our business, or if we are unable to hire, retain and motivate our personnel, we may not be able to grow effectively.

Our future success will depend upon our continued ability to identify, hire, develop, motivate and retain world-class talent. Our ability to maintain our competitive position is dependent to a large degree on the efforts, skills and continued contributions from our key employees, in particular our core management team. The institutional knowledge required for our continued success remains with a small group of key employees whom we may not be able to retain. We may not be able to retain the services of any members of our core management in the future. In addition, from time to time, there may be changes in our core management team that may be disruptive to our business. If our core management team, including any new hires that we may make, fails to work together effectively and to execute our plans and strategies on a timely basis, our business could be harmed. Given the intense competition for qualified management personnel in our industry, there can be no assurance that we will be able to continue to hire or retain the required personnel.

In order to continue expanding and growing our business, we must continually attract experienced employees through recruitment or internal promotion and incentivize them to perform, thereby enhancing our value propositions to our clients. Our ability to do so depends in large part on the incentives available through our partnership system which includes merit-based incentive criteria, such as total revenue generated, numbers of accounts acquired and client satisfaction. Our partnership system promotes entrepreneurship among partners through a bonus structure which enables them to compete in a healthy environment. See the

section headed "Business—Our Partnership System." However, we cannot assure you that the partnership system will continue to succeed or that our partners will continue to be incentivized to perform. Departure of key partners, either individually or *en masse*, either joining competitors or setting up competing practices, may cause us to lose business, clients and key non-partner employees, which in turn may materially and adversely affect our business, financial condition and results of operations. Moreover, identifying, recruiting, training and integrating qualified individuals will require significant time, expense and attention. In addition to hiring new employees laterally, we must continue to focus on retaining our best home-grown talent. If we are not able to effectively attract and retain talent, our ability to achieve our strategic objectives may be adversely impacted and our business may be harmed.

If we fail to obtain or maintain all required licenses, permits and approvals or if we are required to take actions that are time-consuming or costly, our business operations may be materially and adversely affected.

The HR services industry is highly regulated in Greater China. Our failure to obtain and maintain requisite approvals, licenses or permits applicable to our business or any changes in government policies or regulations may have a material and adverse impact on our business, financial condition and operational results. The governments of China, Hong Kong, Macau and Taiwan regulate the HR services industry extensively, including foreign ownership of, and the licensing requirements pertaining to, companies in the HR services industry. A number of regulatory authorities, such as the Ministry of Human Resource and Social Security of the PRC and the Labour Department of Hong Kong, oversee different aspects of the HR services industry. These regulatory authorities together promulgate and enforce laws and regulations that cover many aspects of the HR services market including entry into such industry, scope of permitted business activities, licenses and permits for various business activities and foreign investments into such industry.

We are required to obtain and maintain applicable licenses, permits and approvals from different regulatory authorities in order to conduct our existing or future business in connection with our provision of HR services. The government authorities may continue to pass new rules regulating the HR services industry and we have been continually expanding into new business operations. They may require us to obtain additional licenses, permits or approvals so that we can continue to operate our existing or future businesses or otherwise prohibit our operation of the types of businesses to which the new requirements apply. In addition, new regulations or new interpretations of existing regulations may increase our costs of doing business and prevent us from efficiently delivering services and expose us to potential penalties and fines. Lastly, our existing licenses may expire without proper renewal or be revoked due to violations of relevant licensure maintenance requirements.

If any of our entities is deemed by governmental authorities to be operating without appropriate permits and licenses or outside of their authorized scopes of business or otherwise fail to comply with relevant laws and regulations, we may be subject to penalties and our business and results of operation may be materially and adversely affected.

We rely on third parties' ICP licenses and any deterioration of our relationship may materially and adversely affect our operations.

Under the Administrative Measures on Internet Information Services (互聯網信息服務管理辦法), commercial service providers of Internet information shall obtain an ICP license from the telecommunications administration authorities at the provincial level or the MIIT before engaging in any commercial Internet information services in the PRC. Our online training service is subject to this license requirement.

One of our subsidiaries has entered into agreements with certain independent third parties that own ICP licenses. Under such agreements, our subsidiary outsources its online training services to such third parties. Our subsidiary enters into contracts with clients and selects trainers. The third-party license-holders are responsible for the display and streaming of our training courses and providing IT support related to our online training services and our subsidiary provides the third-party license-holders with the trainers required for the training courses. See the section headed "Business—Licenses and Permits." However, since such third parties remain the owners of the ICP licenses, we cannot assure you that they will not violate any law or regulation that may result in the revocation or termination of the licenses. Moreover, we cannot assure you that we will be able to maintain our cooperative relationship with such third parties in a manner to ensure our ongoing reliance on the licenses. If our relationship deteriorates, we may not be able to conduct our operations under such cooperative relationship, or find a substitute on commercially reasonable terms, if at all, in which case our business, results of operations, financial condition and prospects may be materially and adversely affected.

We have outsourced certain aspects of our business, which could result in disruption and increased costs.

We have outsourced certain aspects of our business to third-party vendors, which could subject us to risks of increased costs and potential disruptions to our business operations. For example, we rely on third parties to host, manage and secure certain aspects of our data and IT infrastructure, to develop and maintain new technology for attracting, managing and analyzing workforce, and to provide certain back office support. Moreover, we outsource a small portion of our headhunting services to select headhunting firms. Accordingly, we are subject to the risks associated with our vendors' abilities to provide these services to meet our needs. Additionally, we replace these vendors from time to time, and there is a risk that we might suffer interruptions in service as we transition from one third party provider to another. Our operations depend significantly on the vendors' and our ability to protect our data and to make our servers, software applications and websites available. Despite our and our vendors' implementation of security measures, our systems are vulnerable to damages from computer viruses, natural disasters, unauthorized access, cyberattack and other similar disruptions. Any system failure, accident or security breach could result in disruptions to our operations. If the cost of our outsourced services is more than expected, or if there is a disruption or breach of our outsourced services that results in a loss or damage to us, in a deficiency of our internal operations or controls, or in an inappropriate disclosure of confidential, proprietary or customer information, or if our ability to deliver our services is interrupted, then our business and financial results could be materially adversely affected.

In addition, we also obtain our online training services on an outsourced basis from certain independent third parties that own ICP licenses. See "—We rely on third parties' ICP licenses and any deterioration of our relationship may materially and adversely affect our operations."

We may be exposed to employment-related claims and costs from clients or third parties that could materially adversely affect our business, financial condition and results of operations.

In our flexible staffing business, we employ workers and place them in the workplaces of other businesses. Risks relating to these activities include:

- claims by our associates of discrimination or harassment directed at them, including claims relating to actions of our clients;
- claims by our associates of wrongful termination or retaliation;
- claims arising out of the actions or inactions of our associates, including matters for which we may have indemnified a client;
- claims arising from violations of employment rights related to employment screening or privacy issues;
- claims related to the employment of undocumented or illegal workers;
- payment of workers' compensation claims and other similar claims;
- violations of employee pay and benefits requirements such as violations of wage and hour requirements;
- entitlement to employee benefits, including healthcare coverage;
- errors and omissions of our associates and other individuals working on our behalf in performing their jobs, such as accountants, IT professionals, engineers and other technical workers; and
- claims by our clients relating to our associates' misuse of clients' proprietary information, misappropriation of funds, other criminal activity or torts or other similar claims.

We may incur fines and other losses or negative publicity with respect to such risks. In addition, some or all of these claims may give rise to litigation, which could be time-consuming to our management team and costly and could have a negative impact on our business. We cannot be certain our insurance will be sufficient in amount or scope to cover all claims that may be asserted against us. Should the ultimate judgments or settlements exceed our insurance coverage, they could have a material effect on our results of operations, financial position and cash flows.

Changes in sentiment toward the staffing industry could affect the marketplace for our services.

From time to time, depending on the relevant location, the staffing industry has come under criticism from unions, regulatory agencies and other constituents who maintain that labor and employment protections, such as wage and benefits regulations, are subverted when clients use flexible staffing services. Our business is dependent on the continued acceptance of flexible staffing arrangements as a source of contingent labor for our clients. If attitudes or business practices in some locations change due to pressure from organized labor, political groups or regulatory agencies, it could have a material adverse effect on our business, results of operations and financial condition.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The value of the Renminbi against U.S. dollars and other currencies, such as HK dollars, Macau patacas and NT dollars, is subject to changes resulting from the PRC government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. On July 21, 2005, the PRC government changed its decades-old policy of pegging the value of the Renminbi to U.S. dollars, and the Renminbi appreciated more than 20% against U.S. dollars over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and U.S. dollars remained within a narrow band. The PRC government has allowed the Renminbi to appreciate slowly against U.S. dollars again, and it has appreciated more than 10% since June 2010, though there also have been periods when it has lost value against U.S. dollars. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and U.S. dollars in the future. In addition, there remains significant international pressure on the PRC government to adopt a substantial liberalization of its currency policy, which could result in further appreciation in the value of the Renminbi against U.S. dollars.

Our exchange differences arising on translation of foreign operations amounted to RMB29.3 million, RMB(26.1) million and RMB28.9 million for 2016, 2017 and 2018, respectively. For the same years, our net foreign exchange gain/(loss) was RMB0.6 million, RMB(0.7) million and RMB(1.0) million, respectively. Significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against U.S. dollars would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or for other business purposes, appreciation of U.S. dollars against the Renminbi would have a negative effect on the U.S. dollar amount available to us. In addition, appreciation or depreciation in the value of the Renminbi relative to our non-Renminbi functional currencies would affect our financial results reported in Renminbi terms regardless of any underlying change in our business or results of operations.

Failure to obtain any preferential tax treatments or the discontinuation, reduction or delay of any of the preferential tax treatments that may be available to us in the future could materially and adversely affect our business, financial condition and results of operations.

We have been granted certain governmental grants and tax preferences. For 2016, 2017 and 2018, we enjoyed government grants of nil, RMB1.2 million and nil, respectively. One of our subsidiaries qualified as a "small and low-profit enterprise (小型微利企業)" under the relevant tax law in the PRC in 2016 and enjoyed preferential tax treatments. See the section headed "Financial Information—Selected Statements of Profit or Loss Items—Continuing Operations—Income Tax Expense" in this prospectus. Nevertheless, the government agencies may decide to reduce, eliminate or cancel such grants and tax preferences at any time. We cannot assure you of the continued availability of the government grants and tax preferences currently enjoyed by us. The discontinuation, reduction or delay of these governmental grants and preferential tax treatment could adversely affect our financial condition and results of operations.

Failure to protect or enforce our intellectual property right could harm our business and operating results.

We regard the protection of our trade secrets, copyrights, trademarks and domain names as critical to our success. In particular, we must maintain, protect and enhance the brands we use. We strive to protect our intellectual property rights by relying on applicable legal rights under laws of corresponding jurisdictions, as well as contractual restrictions. We typically enter into confidentiality and invention assignment agreements with our employees, and confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. However, these contractual arrangements and the other steps we have taken to protect our intellectual property may not prevent the misappropriation of our proprietary information.

We may be vulnerable to intellectual property infringement claims brought against us by others.

We rely on third-party intellectual property to operate our business to some extent, such as licenses to use software and copyrights. As we face increasing competition and as litigation becomes more common in China in resolving commercial disputes, we face a higher risk of being subject to intellectual property infringement claims. A successful infringement claim against us could result in monetary liability or a material disruption in conducting our business. Although we require our employees not to infringe others' intellectual property, we cannot be certain that our products, services, content and brand names do not or will not infringe on valid patents, trademarks, copyrights or other intellectual property rights held by third parties. We may be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of our business.

We may incur substantial expenses in defending against third-party infringement claims, regardless of their merit. As a result, due to diversion of management time, expenses required to defend against any claim and the potential liability associated with any lawsuit, any significant litigation could significantly harm our business, financial condition and results of operations. If we were found to have infringed on the intellectual property rights of a third party, we could be

liable to that party for license fees, royalty payments, lost profits or other damages, and the owner of the intellectual property may be able to obtain injunctive relief to prevent us from using the technology, software or brand name in the future. If the amount of these payments were significant, if we were prevented from incorporating certain technology or software into our products or services or if we were prevented from using the brands we currently have the right to use, our business could be significantly harmed.

If we fail to achieve expected benefits from acquisitions, investment targets or strategic partnerships, our business, growth rates and results of operations may be materially and adversely affected.

We have in the past made investments in other businesses that we believe are complementary to our existing service offerings and crucial to executing on our growth strategies. For example, in September 2017, we acquired 51% of the equity interest in Event Elite through a wholly-owned subsidiary for a total consideration of HK$64.0 million. During the Track Record Period, we also made minority investments in multiple companies in China. See "Financial Information—Selected Statements of Profit or Loss Items—Continuing Operations—Share of Loss of Associates." Such investments could subject us to a number of risks, including our inability to influence the management of such companies in a way that is favorable to our business and growth strategies. Also, such businesses may not generate operating and financial results or synergies we expected.

To carry out our expansion plan, we may enter into strategic alliances with various third parties from time to time. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the counterparty, and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have little ability to control or monitor third-party partners' actions. To the extent the third parties suffer negative publicity or harm to their reputations from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

We may also seek further expansion through acquisitions of additional assets, technologies or businesses that are complementary to our existing businesses or geographic coverage and investments in third-party companies. However, we may not be able to identify suitable targets of acquisitions or investments. Even if we are presented with appropriate opportunities, future investments or acquisitions and the subsequent integration of new assets and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. The costs of identifying and consummating investments and acquisitions and the increase in expenses arising from the expansion plan may be significant. We may also incur significant expenses in obtaining necessary approvals from relevant government authorities. Our ability to integrate the acquired business may be affected by a variety of factors. These factors include, but are not limited to, the complexity of the business, the risks of operating in new markets, unfamiliarity with new regulatory regimes, differences in corporate cultures, the inability to make use of the personnel of the acquired business, as well as additional hidden costs associated with the cooperation. Acquired assets or businesses may not generate the financial results we expect. In addition, investments and acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances

of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. The cost and duration of integrating newly acquired businesses could also materially exceed our expectations. Any such negative developments could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to potential legal liability associated with providing HR services, which may have a material adverse effect on our business and results of operations.

We are exposed to potential claims associated with the recruitment process, including claims by clients and candidates. PRC laws and regulations also prohibit HR service providers from publishing fake hiring information. We check our clients' government-issued business licenses and other relevant qualifications before we conduct any business with them in order to verify such clients' identities and qualifications. Nevertheless, we cannot guarantee that such measures are sufficient to allow us to determine whether a client or any job opportunity is genuine, legal or legitimate. If we are found to fail to protect candidates from disingenuous or illegitimate job opportunities, we may be subject to civil actions initiated by our candidates and our reputation may be harmed, which may have a material adverse effect on our business. We may also be held liable for claims candidates initiate against us alleging our failure to maintain the confidentiality of their employment search or discrimination or other violations of applicable PRC laws and regulations.

Our headhunting service of connecting job candidates with employers constitutes an intermediary service ("居間服務") and our service contracts with the employers are intermediary contracts ("居間合同") under the PRC Contract Law. Under the PRC Contract Law, an intermediary that intentionally conceals any material information or provides false information in connection with the conclusion of the proposed contract, which results in harm to the customer's interests, may not claim any service fee for its intermediary services and is liable for any damage incurred by the customer. In addition, according to the Provisions on Talent Market Administration (人才市場管理規定) (the "**Talent Provisions**"), as a talent intermediary service provider, we are prohibited from providing fake information, making false promises and publishing fake recruitment advertisements. Therefore, if any fake recruitment information or advertisement is provided through us, we could be subject to liability as an intermediary under the PRC Contract Law and the Talent Provisions. We may also face claims for negligence or other purported injuries resulting from such fake recruitment information, advertisement or the nature of our services. Such claims, with or without merit, may be expensive and time-consuming, result in significant diversion of resources and management attention from our operations, and adversely affect our image and reputation, which materially and adversely affect our business.

We have limited means to determine the genuineness of the information provided by candidates. Although our contracts with clients usually require clients to independently verify the credentials of the candidates, we cannot assure you that we will not be subject to legal claims by clients in connection with fraudulent resumes. Furthermore, for our headhunting and RPO services, if we recommend a candidate who subsequently proves unsuitable for the position or even damage the organization, or, for our other HR services, if we provide consulting advice which proves or is alleged to be deficient or even harmful, it is possible that the relevant client may seek to hold us liable for any loss suffered by it by claiming negligence or that we have

breached our contract. We may also be held liable for claims by candidates against us alleging our failure to maintain the confidentiality of their employment search or alleging discrimination or other violations of employment law or regulations by our clients.

We did not experience any material claims during the Track Record Period. However, should any such claims be brought against us, regardless of merit, we may be forced to participate in time-consuming and costly litigation or investigation, which could divert significant management and staff attention and damage our reputation and brand names, any of which may materially and adversely affect our business.

We may experience delays or defaults in payment by our clients, which may adversely affect our cash flow and working capital, financial condition and results of operations.

We face the risk that our clients may delay their settlement with us or fail to make settled payment as scheduled. As of December 31, 2016, 2017 and 2018, our trade receivables were RMB328.4 million, RMB368.3 million and RMB417.3 million, respectively. Trade receivables represent outstanding amounts due from our clients for their purchase of our HR services. The increase was due to an increase in the number of our clients and the resulting revenue increase, as well as our provision of favorable credit terms to key business clients. We typically grant credit terms of 30 to 90 days to key clients. Delays or failures in payments by our clients may affect our cash flow and ability to meet working capital requirements. During the Track Record Period, we experienced certain delays in payment of trade receivables by our clients. As of December 31, 2016, 2017 and 2018, RMB13.7 million, RMB7.5 million and RMB3.4 million of our trade receivables were overdue, respectively. As of December 31, 2016, 2017 and 2018, we recognized allowance for doubtful debts of RMB8.3 million, RMB5.1 million and RMB4.6 million, respectively. As of the Latest Practicable Date, 99.8%, 99.3% and 96.1%, of our trade receivables as of December 31, 2016, 2017 and 2018 had been settled, respectively. No allowance for doubtful debts was recognized for the remaining overdue trade receivables as there was not a significant change in credit quality of the relevant clients and such amounts would still be considered recoverable based on historical experience and/or subsequent settlements. We cannot assure you that payments from clients will be made in a timely manner or at all, or that delays or defaults in payments will not affect our financial condition and results of operations.

Our future development may be negatively affected by the U.S.-China trade war as it may affect the technology supply chain in the PRC.

China's economic growth may also slow down due to weakened exports as well as recent developments surrounding the trade war with the United States. Starting in March 2018, the United States imposed tariffs on various categories of imports from China, and the PRC responded with similarly sized tariffs on United States' products. See "Our results of operations could be materially adversely affected by volatile or uncertain economic conditions such as the Brexit, and demand in our service could drop due to the U.S.-China trade war and the Brexit." It is believed that China's technology industry is one of the major targets of the U.S. The U.S. has imposed various restrictions on the export of certain technologies and products by U.S. companies to China. As we continue to develop, we expect our need for advanced technologies to grow. Such technologies may be subject to U.S. restrictions and we may not be able to obtain the technologies we desire on commercially reasonable terms, or at all. In such case, our future development may be negatively affected.

We cannot assure you that our insurance coverage is adequate to cover all potential losses that we could suffer.

Insurance companies offer an extensive array of insurance products that may be relevant to the operation of our business. We have business interruption insurance, commercial general liability insurance, property all risks insurance, employer liability insurance and employee comprehensive welfare insurance. We also maintain medical insurance for our key personnel. However, we cannot assure you that the insurance coverage will protect us from all potential risks in the operation of our business.

We cannot assure you that our social benefits agents have fully performed their obligations to make sufficient contributions to housing provident fund and social insurance for our PRC employees.

Our PRC subsidiaries are required by relevant PRC laws and regulations to contribute to the social insurance scheme (such as pension insurance, medical insurance, unemployment insurance, maternity insurance and work-related injury insurance) as well as housing provident fund for the benefit of our PRC employees. To efficiently administer the contribution to housing provident fund and social insurance in certain cities in the PRC, we have engaged third-party agents to make such contribution for some of our PRC employees as permitted by applicable PRC laws and regulations. During the Track Record Period, we had not received any claims from our employees in connection with our engagement with such parties or their failure to make such contributions. Under our contracts with such third-party agents, we shall pay the amount of housing provident fund and social insurance for our relevant employees required by law to the third-party agents, who shall pay such amount to relevant local authorities on our behalf. We have fully performed our obligations under such contracts, but we cannot assure you that the third-party agents have also fully performed theirs. Any failure to make such contribution within the prescribed period by these parties may directly expose us to penalties imposed by the local authorities and/or legal claims raised by our employees. In the event that any such penalty is imposed on or any such claim is raised by our employees against our PRC subsidiaries as a result of such parties' failure to make contributions, our financial condition and reputation may be adversely affected.

We may be required to indemnify our clients, which could have a material adverse effect on our financial condition and operating results.

Some of our service contracts contain indemnification provisions that require us to indemnify our clients against certain claims, including claims of non-compliance, infringement of intellectual property rights, personal injury and death. If claims under such services contracts are successful, the imposition of indemnification obligations could have a material adverse impact on our cash flow, results of operations and financial condition to the extent that such claims are not covered by insurance. Moreover, some of our service contracts contain provisions limiting our liability in the event of a breach or indemnifiable event. However, such provisions may not be enforceable in all circumstances.

Labor activism and unrest or failure to maintain satisfactory labor relations may adversely affect our results of operation.

The formation of labor unions, combined with weak economic conditions, may result in labor unrest and activism. Labor unrest and activism may substantially interfere our outsourcing services and flexible staffing as the delivery of such services is dependent upon the availability of labor. Any significant dispute, unrest, activism or action could impair our ability to provide labor to our clients. If we fail to maintain satisfactory labor relations with our employees (including associates) or between our employees (including associates) and our clients, there will be a material adverse effect on our business, financial condition, results of operations and prospects.

Natural disasters, acts of war, occurrence of epidemics, and other disasters could affect our business and the national and regional economies in the Greater China region.

Our business is subject to general economic and social conditions in the Greater China region. Natural disasters, epidemics such as the human swine flu, also known as Influenza A (H1N1), H5N1 avian flu or severe acute respiratory syndrome ("**SARS**"), the Ebola virus and other natural disasters which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the Greater China region. Some regions in mainland China and Taiwan, including certain cities where we operate, are under the threat of flood, earthquake, fire, drought or epidemics. Our business, financial position and results of operations may be materially and adversely affected if natural disasters or other such events occur.

For instance, a serious earthquake and its successive aftershocks hit Sichuan Province in April 2013 and a deadly earthquake struck Taiwan in February 2018. Earthquakes with such magnitude resulted in tremendous loss of lives and destruction of assets in the regions we operate. Natural disasters may disrupt our operations and adversely affect our ability to complete our performance of contracts as scheduled. Any future outbreak of SARS, avian flu or other similar adverse epidemics may, among other things, significantly disrupt our business. An outbreak of infectious disease may also severely restrict the level of economic activity in affected areas, which in turn may have a material and adverse effect on our business, financial position and results of operations.

We face certain risks relating to the real properties that we lease.

We lease real properties from third parties in the PRC, Taiwan, Hong Kong and Macau for our office and other uses. Some of the ownership certificates or other similar proofs of certain leased properties in China have not been provided to us by the relevant lessors. Therefore, we cannot assure you that such lessors are entitled to lease the relevant real properties to us. If the lessors are not entitled to lease the real properties to us and the owners of such real properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners.

As of the Latest Practicable Date, we are not aware of any claim or challenge brought by any third parties concerning the use of our leased properties without obtaining proper ownership proof. If our lease agreements are claimed as null and void by third parties who are the real owners of such leased real properties, we could be required to vacate the properties, in which event we could only initiate the claim against the lessors under relevant lease agreements for indemnities for their breach of the relevant leasing agreements. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we are unable to relocate our operations in a timely manner, our operations may be interrupted.

As of the Latest Practicable Date, the lease agreements for 31 of our leased properties in China had not been registered with the PRC governmental authorities as required by the PRC laws. See the section headed "Business—Properties—Leased properties." Although the failure to do so does not in itself invalidate the leases, we may be ordered by the PRC government authorities to rectify such noncompliance and, if such noncompliance were not rectified within a given period of time, we may be subject to fines imposed by PRC government authorities ranging from RMB1,000 and RMB10,000 for each lease agreement that has not been registered with the relevant PRC governmental authorities.

As of the Latest Practicable Date, we are not aware of any regulatory or governmental actions, claims or investigations being contemplated or any challenges by third parties to our use of our leased properties the lease agreements of which have not been registered with the government authorities. However, we cannot assure you that the government authorities will not imposed fines on us due to our failure to register any of our lease agreements, which may negatively impact our financial condition.

RISKS RELATING TO CONDUCTING BUSINESS IN THE GREATER CHINA REGION

PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects.

A significant portion of our operations are located in China. Accordingly, our business, prospects, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

The Chinese economy differs from the economies of most developed countries in many respects, including the degree of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exerts significant control over China's economic growth through guiding resource allocation, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may also have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. In addition, in the past the Chinese government has implemented certain measures, including interest rate increases, to manage the pace of economic growth. These measures may cause decreased economic activity in China, and since 2012, the Chinese economy has slowed down. Any prolonged slowdown in the Chinese economy may reduce the demand for our services and materially and adversely affect our business and results of operations.

In May 2017, Moody's Investors Service downgraded China's sovereign credit rating for the first time since 1989 and changed the outlook from stable to negative, citing concerns on the China's rising levels of debt and expectations of slower economic growth. In September 2017, S&P Global Ratings downgraded China's sovereign credit rating for the first time since 1999, citing similar concerns. The full impact of such actions by international rating agencies remains to be seen, but the perceived weaknesses in China's economic development model, if proven and left unchecked, would have profound implications.

Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.

The PRC legal system is based on written statutes. Unlike common law systems, it is a system in which legal cases have limited value as precedents. In the late 1970s, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly increased the protections afforded to various forms of foreign or private-sector investment in China. Our PRC subsidiaries are subject to various PRC laws and regulations generally applicable to companies in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties.

In particular, PRC laws and regulations concerning the HR services industry are developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations and avoid conducting any non-compliant activities under the applicable laws and regulations, the PRC governmental authorities may promulgate new laws and regulations regulating the HR services industry in the future. We cannot assure you that our practice would not be deemed to violate any new PRC laws or regulations relating to HR services industry.

Moreover, developments in the HR services industry may lead to changes in PRC laws, regulations and policies or in the interpretation and application of existing laws, regulations and policies that may limit or restrict HR services providers like us, which could materially and adversely affect our business and operations.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner, or at all) that may have retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations.

The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors like us, which could make it more difficult for us to pursue growth through acquisitions in China.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex, including requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the Anti-Monopoly Law requires that the MOFCOM shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the security review rules issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire *de facto* control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. Our Company and our offshore subsidiaries are regarded as foreign investors in the context of the M&A Rules. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your investment.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a "*de facto* management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "*de facto* management body" as the body

that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation, or SAT, issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "*de facto* management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by foreigners like us, the criteria set forth in the circular may reflect the SAT's general position on how the "*de facto* management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "*de facto* management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the senior executive personnel or organisations that are responsible for day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe none of our Company or our subsidiaries outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "*de facto* management body." As a majority of our management members are based in China, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that our Company or any of our subsidiaries outside of China is a PRC resident enterprise for PRC enterprise income tax purposes, then our Company or such subsidiary could be subject to PRC tax at a rate of 25% on its world-wide income, which could materially reduce our profit. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, dividends we pay may be subject to PRC withholding tax at a rate of 10% in the case of non-PRC enterprise shareholders or 20% in the case of non-PRC individual shareholders, and gains realized on the sale or other disposition of our ordinary shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprise shareholders or 20% in the case of non-PRC individual shareholders if such dividends or gains are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our Company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in our Shares.

We may incur additional cost to comply with the new PRC policy regarding social insurance collection and may be required by the tax bureaus to make additional social insurance contributions.

On July 20, 2018, the General Office of the Communist Party of China and the General Office of the State Council released the Tax Reform Plan. Effective from January 1, 2019, the Tax Reform Plan places the responsibility of calculating and collecting social insurance premiums solely with the tax bureaus, which is expected to improve social insurance compliance since the

tax bureaus are better resourced to monitor and collect contributions. However, the impact of the newly adopted Tax Reform Plan is still uncertain. We may incur additional cost to comply with this new plan and may be required by the tax bureaus to make additional social insurance contributions, which may have a material adverse impact on our business, financial condition and results of operations. On September 21, 2018, the General Office of the Ministry of Human Resource and Social Security issued the Urgent Notice on Effectively Implementing the Spirit of the Standing Meeting of the State Council and Effectively Conducting the Collection of Social Insurance Premiums in a Stable Manner, which prohibits local authorities to organize and conduct centralized collection of enterprises' historical social insurance arrears.

The PRC government's control of foreign currency conversion may limit our foreign exchange transactions, including dividend payments on our Shares.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. During the Track Record Period, we received a large portion of our revenue in Renminbi. Under our current corporate structure, our Company relies on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service- related foreign exchange transactions, can be made in foreign currencies without prior approval from State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulation, such as the overseas investment registrations by the beneficial owners of our Company who are PRC residents. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

In light of the flood of capital flows out of China in 2016 due to the weakening of the Renminbi, the PRC government has imposed more restrictive foreign exchange policies and stepped up scrutiny of major outbound capital movement. More restrictions and a substantial vetting process are put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may at its discretion further restrict access to foreign currencies in the future for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders.

PRC regulation of loans to and direct investments in PRC entities by offshore holding companies may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Any funds we transfer to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to approval by or registration with relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises in China, capital contributions to our PRC subsidiaries are subject

to the requirement of making necessary filings in the Foreign Investment Comprehensive Management Information System, or FICMIS, and registration with other governmental authorities in China. In addition, (i) any foreign loan procured by our PRC subsidiaries is required to be registered with SAFE, or its local branches, and (ii) each of our PRC subsidiaries may not procure loans which exceed the difference between its registered capital and its total investment amount as recorded in FICMIS. Any medium or long term loan to be provided by us to our PRC subsidiaries must be recorded and registered by the National Development and Reform Committee and the SAFE or its local branches. We may not be able to complete such recording or registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by us directly to our PRC subsidiaries. If we fail to complete such recording or registration, our ability to use the proceeds of this offering and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises, or SAFE Circular 19. SAFE Circular 19 took effect as of June 1, 2015. SAFE Circular 19 launched a nationwide reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises and allows foreign-invested enterprises to settle their foreign exchange capital at their discretion, but continues to prohibit foreign-invested enterprises from using the RMB fund converted from their foreign exchange capitals for expenditures beyond their business scopes. On June 9, 2016, the SAFE promulgated the Circular on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange, or SAFE Circular 16. SAFE Circular 19 and SAFE Circular 16 continue to prohibit foreign-invested enterprises from, among other things, using RMB fund converted from its foreign exchange capitals for expenditure beyond its business scope, securities investment and investment and wealth management products (except for principal-protected bank products), providing loans to non-affiliated enterprises or constructing or purchasing real estate not for self-use. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer to and use in China the net proceeds from this offering, which may adversely affect our business, financial condition and results of operations.

The heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us.

The SAT has promulgated several rules and notices to tighten the scrutiny over acquisition transactions in recent years, including the Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Tax Resident Enterprises, or Public Notice 7 and the Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises, or SAT Circular 37. On October 17, 2017, the SAT issued the SAT Circular 37, which came into force and amended some provisions in Public Notice 7 on December 1, 2017. SAT Circular 37, among other things, simplifies procedures of withholding and payment of income tax levied on non-resident enterprises. Pursuant to these rules and notices, where a non-resident enterprise investor transfers equity interests or other taxable assets in a PRC resident enterprise indirectly by way of disposing of equity interests in an overseas holding company, the non-resident enterprise investor, being the transferor, may be subject to PRC enterprise income tax if the indirect transfer is considered to be an abusive use of company structure without reasonable commercial purposes. As a result, gains derived from such indirect transfer may be subject to PRC withholding tax at the rate of up to 10%.

In addition, Public Notice 7 provides clear criteria on how to assess reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. Public Notice 7 also brings challenges to both the foreign transferor and transferee (or other person who is obligated to pay for the transfer) of the taxable assets. Where a non-resident enterprise conducts an "indirect transfer" by transferring the taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise being the transferor, or the transferee, or the PRC entity which directly owned the taxable assets may report to the relevant tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may re-characterize such indirect transfer as a direct transfer of the equity interests in the PRC tax resident enterprise and other properties in China. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of up to 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

We face uncertainties with respect to the reporting and consequences of private equity financing transactions, share exchange or other transactions involving the transfer of shares in our Company by investors that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident companies or other taxable assets by us. Our Company and other non-resident enterprises of ours may be subject to filing or tax obligations if our Company and other non-resident enterprises of ours are transferors in such transactions, and may be subject to withholding obligations if our Company and other non-resident enterprises of ours are transferees in such transactions, under Public Notice 7 and SAT Circular 37. For the transfer of shares in our Company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under Public Notice 7 and SAT Circular 37. As a result, we may be required to expend valuable resources to comply with Public Notice 7 and SAT Circular 37 or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our Company and other non-resident enterprises of ours should not be taxed under these circulars. The PRC tax authorities have the discretion under Public Notice 7 and SAT Circular 37 to make adjustments to the taxable capital gains based on the difference between the fair value of the taxable assets transferred and the cost of investment. If the PRC tax authorities make adjustments to the taxable income of the transactions under Public Notice 7 and SAT Circular 37, our income tax costs associated with such transactions will be increased, which may have an adverse effect on our financial condition and results of operations. We have made acquisitions in the past and may conduct additional acquisitions in the future. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance to them for the investigation of any transactions we were involved in. Heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

We are exposed to economic, political and regulatory conditions and risks in Taiwan.

We have two subsidiaries in Taiwan and our business operations and prospects are subject to political, economic, legal and regulatory risks specific to Taiwan. The Taiwan economy differs from the economies of most developed countries in a number of respects, including structure,

degree of government involvement, level of development, control of capital investment, growth rate, allocation of resources, inflation rate and trade balance position. We cannot predict whether changes in the political, economic and social conditions in Taiwan or changes in the laws, regulations and policies promulgated by the Taiwan government will have any adverse effect on our current or future business and financial conditions and results of operations.

Moreover, our business, operations and financial conditions may be affected by changes in the governmental policies as well as diplomatic and social developments both of Taiwan and the PRC. Taiwan's unique political status fuel tensions between the island and the mainland. Taiwan's internal political movements may also affect Taiwan's cross-strait policies and legislations. Past developments related to the interaction between Taiwan and the PRC have on occasion depressed the transaction activities and business operations of Taiwanese companies and overall economic environment.

In respect of the relationship between Taiwan and the PRC, the current leader of Taiwan and the political party which she belongs to had adopted policies that caused controversies and uneasiness. We cannot assure that the relationship between Taiwan and the PRC will not intensify or will remain peaceful. Relations between Taiwan and the PRC and other factors affecting military, political or economic stability in Taiwan could have a material adverse effect on our business operation.

In Taiwan, persons defined as "PRC Persons" are required to obtain approval from Taiwan's Investment Commission, Ministry of Economic Affairs in order to invest in certain business sectors ("**PRC Investment Restrictions**"), including some business operations of Manpower Services Taiwan. For the purposes of the PRC Investment Restrictions, a corporate entity registered outside the PRC would be considered a PRC Person if more than 30% of the total issued shares or capital amount of such offshore corporate entity is directly or indirectly held, or such corporate entity is directly or indirectly controlled, by a PRC individual or entity formed under PRC laws. A PRC national or entity would be deemed to have control over an offshore corporate entity if it, for instance, has control over the majority of the votes or has the right to appoint or discharge a majority of the directors on the board of such offshore corporate entity. See the section headed "Regulations—Laws and Regulations Relating to Our Business in Taiwan—PRC Investments, Corporate Registration and Importer and Exporter Registrations" for details. In the event that we become a "PRC Person" as defined under the PRC Investment Restrictions, we may need to restructure the shareholding structure of our Taiwan subsidiaries in order to comply with Taiwan law. We cannot predict whether any such restructuring will be feasible or be carried out successfully without disruption to or other negative impact on our Taiwan operations.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are an exempted company incorporated in the Cayman Islands. A majority of our assets are located in China and a majority of our current operations are conducted in China as well. In addition, a majority of our current Directors and officers are nationals and residents of Greater China and a majority of the assets of these persons are located in Greater China. As a result, it may be difficult or impossible for you to effect service of process within Hong Kong upon us or these persons, or to bring an action in Hong Kong against us or against these individuals in the event that you believe that your rights have been infringed under the

applicable securities laws or otherwise. In addition, because there are no clear statutory and judicial interpretations or guidance on a PRC court's jurisdiction over cases brought under foreign securities laws, it may be difficult for you to bring an original action against us or our PRC resident officers and directors in a PRC court based on the liability provisions of non-PRC securities laws. Also, the laws of the Cayman Islands may offer different remedies to you compared to the laws of Hong Kong or those of China. Even if you are successful in bringing an action of this kind, the laws of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares and the liquidity and market price of our Shares may be volatile.

Prior to completion of the Global Offering, there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our Shares will be traded following completion of the Global Offering. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering.

The trading price of our Shares may be volatile, which could result in substantial losses to you.

The trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including the general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. Our largest stakeholder, MAN, is listed on NYSE. We are licensed to conduct operations under certain MAN global brands in Greater China, the same brands MAN uses in its global operations. As such, any negative developments involving MAN, including any fluctuations in the trading price of MAN shares on the NYSE, may cast a negative light on us, which in turn may affect the trading price of our Shares on the Stock Exchange. In addition, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of PRC-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

You will incur immediate and substantial dilution and may experience further dilution in the future.

As the Offer Price of our Shares is higher than the net tangible book value per Share of our Shares immediately prior to the Global Offering, purchasers of our Shares in the Global Offering will experience immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the Global Offering may experience further dilution in their shareholding percentage.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and Controlling Shareholders, could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and Controlling Shareholders, or the perception or anticipation of such sales, could negatively impact the market price of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

The Shares held by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

Our Controlling Shareholders may exert substantial influence over us and may have conflict of interests with our independent Shareholders.

Immediately upon completion of the Global Offering (assuming the Over-allotment Option or any options which may be granted under the Share Option Scheme are not exercised), our Controlling Shareholders will control 75% of the voting rights of our issued Shares directly or through their controlled entities. Our Controlling Shareholders will be in a position to exert significant influence over the affairs of our Company and will be able to influence the outcome of any shareholders' ordinary resolutions, irrespective of how other shareholders vote. The interests of our Controlling Shareholders may not necessarily be aligned with the interests of our public shareholders or our Shareholders as a whole, and this concentration of ownership may also have the effect of delaying, deferring or preventing a change in control of our Company.

Certain data and information in this prospectus were obtained from third-party sources and were not independently verified by us.

This prospectus contains certain data and information that we obtained from various government and private entity publications. Statistical data in these publications also include projections based on a number of assumptions. The HR services industry in China may not grow at the rate projected by market data, or at all. The failure of our industry to grow at the projected rate may have a material adverse effect on our business. In addition, the complex and changing nature of the broad macroeconomic factors discussed in this prospectus may result in significant uncertainties for any projections or estimates relating to the growth prospects or future

condition of our market. Furthermore, if any one or more of the assumptions underlying the market data is later found to be incorrect, actual results may differ from the projections based on these assumptions.

We have not independently verified the data and information contained in such third-party publications and reports. Data and information contained in such third-party publications and reports may be collected using third- party methodologies, which may differ from the data collection methods used by us. In addition, these industry publications and reports generally indicate that the information contained therein was believed to be reliable, but do not guarantee the accuracy and completeness of such information.

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it and you should not rely on such information.

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong and under normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

Our core business and operations are primarily located, managed and conducted in the PRC, and our executive Director and members of senior management are based in the PRC. Appointment of additional executive Directors who are ordinarily resident in Hong Kong or relocation of our executive Director to Hong Kong would not be beneficial to or appropriate for our Company. Our Company currently does not and in the foreseeable future will not, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Therefore, we have applied to the Stock Exchange for and the Stock Exchange has granted, a waiver from compliance with Rule 8.12 of the Listing Rules on the following conditions:

(i) that we appoint two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange and ensure that we will comply with the Listing Rules at all times. The two authorized representatives appointed are Mr. Yuan Jianhua, our executive Director, chief executive officer and president, and Ms. Wong Yee Man, our joint company secretary. Ms. Wong Yee Man is ordinarily resident in Hong Kong. Although Mr. Yuan Jianhua resides in the PRC, he possesses valid travel documents and is able to renew such documents when they expire in order to visit Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and e-mail (if applicable). Each of the two authorized representatives is authorized to communicate on our behalf with the Stock Exchange. The Company has been registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance and Ms. Wong Yee Man has also been authorized to accept service of legal process and notices in Hong Kong on our behalf;

(ii) that each of the authorized representatives has means to contact all of our Directors (including our independent non-executive Directors) and all of our senior management team promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. To enhance communication between the Stock Exchange, the authorized representatives and our Directors, we will implement a policy that (a) each Director will have to provide his or her mobile telephone number, office telephone number, facsimile number and email address (if applicable) to our authorized representatives; (b) in the event that a Director expects to travel, he or she will endeavor to provide the telephone number of the place of his or her accommodation to the authorized representatives or maintain an open line of communication via his or her mobile telephone; and (c) each of the Directors and authorized representatives will provide his or her mobile telephone numbers, office telephone numbers, facsimile numbers and email addresses (if applicable) to the Stock Exchange;

(iii) that each of our Directors (including our independent non-executive Directors) not being ordinarily resident in Hong Kong has confirmed that he or she possesses or can apply for valid travel documents to visit Hong Kong for business purpose and will be able to come to Hong Kong and meet with the relevant officers of the Stock Exchange within a reasonable period, when required; and

(iv) that in compliance with Rule 3A.19 of the Listing Rules, we have appointed Orient Capital (Hong Kong) Limited as our compliance advisor to act as an additional channel of communication with the Stock Exchange for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. The contact person of the compliance advisor will be fully available to answer enquiries from the Stock Exchange.

JOINT COMPANY SECRETARIES

According to Rules 3.28 and 8.17 of the Listing Rules, the secretary of an issuer must be a person who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of the Hong Kong Institute of Chartered Secretaries, a solicitor or a barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong), or (ii) an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

We have appointed Ms. Gao Xingyue and Ms. Wong Yee Man as our joint company secretaries. Ms. Wong Yee Man is an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Institute of Chartered Secretaries and Administrators in United Kingdom, and therefore meets the requirements under Rules 3.28 and 8.17 of the Listing Rules. Since Ms. Gao Xingyue does not possess the qualifications stipulated in Rules 3.28 and 8.17 of the Listing Rules, she is not able to solely fulfil the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Gao Xingyue as our joint company secretary. In order to provide support to Ms. Gao Xingyue, we have appointed Ms. Wong Yee Man to act as a joint company secretary for a three-year period from the Listing Date so as to enable Ms. Gao Xingyue to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge her duties.

Before the expiry of such three-year period, we will assess the then experience of Ms. Gao Xingyue in order to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied at that time and, if such requirements cannot be satisfied, we will employ a suitable candidate who will be able to comply with the requirements under Rules 3.28 and 8.17 of the Listing Rules as the secretary of our Company.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after the Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transaction as disclosed in the section headed "Connected Transactions" in this prospectus. Further information is disclosed in the section headed "Connected Transactions" in this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding-Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

PROSPECTUS ISSUED IN CONNECTION WITH HONG KONG PUBLIC OFFERING ONLY

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering.

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and conditions set out herein and therein. No person has been authorized to give any information or make any representations other than those contained in this prospectus and the Application Forms and, if given or made, such information or representations must not be relied on as having been authorized by us, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Shares shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information in this prospectus is correct as of any subsequent time.

INFORMATION ON THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus, and the procedures for applying for the Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus and on the relevant Application Forms.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants in the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering.

The listing of the Offer Shares on the Hong Kong Stock Exchange is sponsored by the Sole Sponsor. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement. The International Underwriting Agreement relating to the International Offering is expected to be entered into on or around the

Price Determination Date, subject to agreement on pricing of the Offer Shares between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us. The Global Offering is managed by the Joint Global Coordinators.

If, for any reason, the Offer Price is not agreed, the Global Offering will not proceed and will lapse. For further information about the Underwriters and the underwriting arrangements, please see the section headed "Underwriting" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to confirm, and is deemed by his acquisition of Hong Kong Offer Shares to have confirmed, that he is aware of the restrictions on offers of the Offer Shares described in this prospectus and that he is not acquiring, and has not been offered, any Offer Shares in circumstances that contravene any such restrictions.

No action has been taken to permit an offering of the Hong Kong Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the securities laws of such jurisdiction pursuant to registration with or an authorisation by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been publicly offered and sold, and will not be offered or sold, directly or indirectly in Mainland China or the United States.

ELIGIBILITY FOR CCASS

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, our Shares on the Hong Kong Stock Exchange and we comply with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC.

Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second business day after any trading day. You should seek the advice of your stockbroker or other professional advisor for details of those settlement arrangements as such arrangements will affect your rights and interests.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

The Company has applied to the Listing Committee for the granting of the listing of and permission to deal in the Shares in issue and to be issued pursuant to the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

Except as disclosed, no part of our share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on the Stock Exchange or any other stock exchange as at the date of this prospectus. All the Offer Shares will be registered on the Hong Kong Share Registrar of our Company in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

HONG KONG SHARE REGISTER AND THE STAMP DUTY

All Shares issued by us pursuant to applications made in the Hong Kong Public Offering will be registered on our branch register of members to be maintained by Computershare Hong Kong Investor Services Limited in Hong Kong. Our principal register of members will be maintained by Maples Fund Services (Cayman) Limited in the Cayman Islands.

Dealings in the Shares registered on our Hong Kong branch register will be subject to Hong Kong stamp duty.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposing of, dealing in or exercising any rights in relation to, the Shares. None of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchase, holding, disposition of, dealing in, or exercising any rights in relation to, the Shares.

STABILIZATION AND OVER-ALLOTMENT

In connection with the Global Offering, the Stabilizing Manager or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. Such transactions may be effected in compliance with all applicable laws and regulatory requirements. However, there is no

obligation on the Stabilizing Manager, its affiliates or any person acting for it to do this. Such stabilization, if commenced, will be conducted at the absolute discretion of the Stabilizing Manager, its affiliates or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period.

In connection with the Global Offering, we intend to grant to the International Underwriters the Over-allotment Option, which is exercisable in full or in part by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters) within 30 days after the last day for lodging applications under the Hong Kong Public Offering. Pursuant to the Over-allotment Option, we may be required to issue and allot up to an aggregate of 7,500,000 Shares (in aggregate representing 15% of the total number of the Shares initially available under the Global Offering) at the Offer Price to cover over-allocations in the International Offering.

Further details with respect to stabilization and the Over-allotment Option are set out in the section headed "Structure of the Global Offering—Over-allotment Option and Stabilization" in this prospectus.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The application procedure for the Hong Kong Offer Shares is set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus and on the relevant Application Forms.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. However, the English names of certain Chinese names, entities, departments, facilities, certificates, titles, laws, regulations and the like are unofficial translations of their Chinese names and are included for identification purposes only, and if there is any inconsistency, the Chinese name prevails in such cases.

EXCHANGE RATE CONVERSION

Unless otherwise specified, this prospectus contains certain translations for the convenience of the reader at the following rates:

HK$1.00 to RMB0.87604
US$1.00 to RMB6.8586

These translations are provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in RMB, US dollars or HK dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

ROUNDINGS

Amounts and percentage figures, including share ownership and operating data in this prospectus, may have been subject to rounding adjustments. In this prospectus, where information is presented in thousands or millions, amounts of less than one thousand or one million, as the case may be, have been rounded to the nearest hundred or hundred thousand, respectively, unless otherwise indicated or the context requires otherwise. Amounts presented as percentages have been rounded to the nearest tenth of a percent, unless otherwise indicated or the context requires otherwise. Accordingly, totals of rows or columns of numbers in tables may not be equal to the apparent total of the individual items.

WEBSITE

The contents of any website mentioned in this prospectus do not form a part of this prospectus.

DIRECTORS

Name	Residential Address	Nationality
Executive Director		
YUAN Jianhua (袁建華)	Room 401, No. 7, Lane 777 Renmin Road Huangpu District Shanghai PRC	Chinese
Non-executive Directors		
Darryl E GREEN	10085 Altavilla Drive Sandy, Utah 84092-4503	American
Sriram CHANDRASEKAR	40 Keppel Bay Drive #05-98 Singapore 098655	Indian
ZHANG Yinghao (張迎昊)	Room 1003, Block 2, Building 2 No.8, Xindong Road Chaoyang District Beijing PRC	Chinese
ZHAI Feng (翟鋒)	Room 1202, Building 4 Shiqiao Apartments No. 16B, East Third Ring Road Central Chaoyang District Beijing PRC	Chinese
Independent non-executive Directors		
Thomas YEOH Eng Leong (楊永亮)	6A Lorong Biawak Singapore 358762	Singaporean
WONG Man Lai Stevie (黃文麗)	Flat 43B, Block 9, Island Resort Siu Sai Wan Road Chai Wan Hong Kong	Chinese
Victor HUANG (黃偉德)	Flat A, 6/F, Block 9 Braemar Hill Mansion 31 Braemar Hill Road North Point Hong Kong	Chinese

See the section headed "Directors and Senior Management" in this prospectus for further details of our Directors and senior management members.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	**Huatai Financial Holdings (Hong Kong) Limited** Room 5808-12, 58/F, The Center 99 Queen's Road Central, Central Hong Kong
Joint Global Coordinators	**Huatai Financial Holdings (Hong Kong) Limited** Room 5808-12, 58/F, The Center 99 Queen's Road Central, Central Hong Kong **CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **Orient Securities (Hong Kong) Limited** Rooms 1, 1A, 6-8, 27/F Wing On House 71 Des Voeux Rd Central Hong Kong
Joint Bookrunners	**Huatai Financial Holdings (Hong Kong) Limited** Room 5808-12, 58/F, The Center 99 Queen's Road Central, Central Hong Kong **CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **Orient Securities (Hong Kong) Limited** Rooms 1, 1A, 6-8, 27/F Wing On House 71 Des Voeux Rd Central Hong Kong **ABCI Capital Limited** 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong

Joint Lead Managers

Huatai Financial Holdings (Hong Kong) Limited
Room 5808-12, 58/F, The Center
99 Queen's Road Central, Central
Hong Kong

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Orient Securities (Hong Kong) Limited
Rooms 1, 1A, 6-8, 27/F Wing On House
71 Des Voeux Rd Central
Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

First Shanghai Securities Limited
19/F, Wing On House
71 Des Voeux Road Central
Hong Kong

Legal advisors to the Company

As to Hong Kong law
Sidley Austin
39/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

As to PRC law
Tian Yuan Law Firm
10/F, China Pacific Insurance Plaza B
28, Fengsheng Lane
Xicheng District, Beijing
PRC

As to Cayman Islands law
Maples and Calder (Hong Kong) LLP
Cayman Islands, attorneys-at-law
53rd Floor
The Center
99 Queen's Road Central
Hong Kong

	As to certain aspects of Hong Kong law **Mr. Clay Huen** *Barrister-at-law in Hong Kong* 18th Floor, Kolling Centre 77 Granville Road Tsim Sha Tsui Kowloon Hong Kong
	As to Taiwan law **Lee and Li, Attorneys-at-Law** 8F, No. 555, Sec. 4, Zhongxiao E. Road Taipei, Taiwan
	As to Macau law **MdME | Lawyers** Avenida da Praia Grande 409 China Law Building 21/F and 23/F A-B Macau
Legal advisors to the Sole Sponsor and the Underwriters	*As to Hong Kong law* **Hogan Lovells** 11/F, One Pacific Place 88 Queensway Hong Kong
	As to PRC law **Jingtian & Gongcheng** 45/F, K.Wah Centre 1010 Huaihai Road (M) Xuhui District, Shanghai PRC
Auditors and reporting accountants	**Deloitte Touche Tohmatsu** *Certified Public Accountants* 35/F, One Pacific Place 88 Queensway Hong Kong
Industry consultant	**China Insights Consultancy Limited** 10/F Tomorrow Square 399 West Nanjing Road Huangpu District Shanghai PRC

Compliance advisor	**Orient Capital (Hong Kong) Limited** Rooms 1, 1A, 6-8, 27/F & Rooms 2803-07, 28/F Wing On House 71 Des Voeux Road Central Central Hong Kong
Receiving bank	**Standard Chartered Bank (Hong Kong) Limited** 15/F Standard Chartered Tower, 388 Kwun Tong Road, Hong Kong

Registered office	PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Head office in the PRC	36/F, Xin Mei Union Square No. 999, Pudong Road (S) Pudong District, Shanghai PRC
Principal place of business in Hong Kong	Rooms 2303-04, 9 Chong Yip Street Kwun Tong, Kowloon Hong Kong
Company's website	www.manpowergroupgrc.com *(Note: The contents of this website do not form part of this prospectus)*
Joint company secretaries	Ms. WONG Yee Man (黃綺汶) *(ACS, ACIS)* Room 1901, 19th Floor, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong Ms. GAO Xingyue (高星月) No. 3, Lane 62 Binyang Road, Xuhui District Shanghai PRC
Authorized representatives	Mr. YUAN Jianhua (袁建華) Room 401, No. 7, Lane 777 Renmin Road Huangpu District Shanghai PRC Ms. WONG Yee Man (黃綺汶) Room 1901, 19th Floor, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Audit committee	Mr. Victor HUANG (黃偉德) *(Chairman)* Mr. Sriram CHANDRASEKAR Mr. ZHAI Feng (翟鋒) Mr. Thomas YEOH Eng Leong (楊永亮) Ms. WONG Man Lai Stevie (黃文麗)

Remuneration committee	Mr. Thomas YEOH Eng Leong (楊永亮) *(Chairman)* Mr. Darryl E GREEN Mr. ZHANG Yinghao (張迎昊) Ms. WONG Man Lai Stevie (黃文麗) Mr. Victor HUANG (黃偉德)
Nomination committee	Ms. WONG Man Lai Stevie (黃文麗) *(Chairman)* Mr. Darryl E GREEN Mr. ZHANG Yinghao (張迎昊) Mr. Thomas YEOH Eng Leong (楊永亮) Mr. Victor HUANG (黃偉德)
Principal share registrar in the Cayman Islands	**Maples Fund Services (Cayman) Limited** PO Box 1093 Boundary Hall Cricket Square Grand Cayman KY1-1102 Cayman Islands
Hong Kong Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal banks	**Shanghai Securities Building branch, Industrial and Commercial Bank of China** 1/F, China Development Bank Tower No. 500, Pudong Road(s) Pudong District, Shanghai PRC **The Hongkong and Shanghai Banking Corporation Limited** HSBC Main Building 1 Queen's Road Central Hong Kong

Unless otherwise indicated, the information presented in this section is derived from the CIC Report, which was commissioned by us and is prepared by CIC based on publicly available resources and trade union surveys and is prepared primarily as a market research tool intended to reflect estimates of market conditions. Our Directors believe that the sources of information and statistics contained in this section are appropriate sources for such information and statistics and have taken reasonable care in reproducing such information. Our Directors have no reason to believe that such information and statistics is false or misleading or that any fact has been omitted that would render such information and statistics false or misleading in any material respect. The information prepared by CIC and set out in this section has not been independently verified by our Group, our Controlling Shareholders, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other party involved in the Global Offering or their respective directors, officers, employees, advisers and agents (except CIC), and no representation is given as to its accuracy and completeness. Accordingly, such information should not be unduly relied upon.

SOURCE OF INFORMATION

We commissioned CIC, an independent industry consultant, to conduct an analysis of and report on Greater China's HR services market from 2014 to 2023. The report we commissioned, or the CIC Report, was prepared by CIC independent of our influence. We paid CIC a fee of RMB910,000 for the preparation of the report, which we consider to be in line with market rates. CIC conducted both primary and secondary research using various resources. Primary research methods involved interviewing key industry experts and leading industry participants. Secondary research methods involved analysing data from various publicly available data sources, such as the websites of the National Bureau of Statistics of PRC, the International Monetary Fund, industry associations, *etc.* The market projections in the commissioned report are based on the following parameters: (i) the overall social, economic and political environment in Greater China is expected to remain stable during the forecast period; (ii) the economic and industrial development of Greater China is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of Greater China's HR services market during the forecast period; and (iv) there will be no force majeure or industry regulation that may fundamentally change or affect Greater China's HR services market. Except as otherwise noted, all the data and forecasts in this section are derived from the CIC Report.

OVERVIEW OF THE HR SERVICES MARKET IN GREATER CHINA

The HR services market is a fast-growing and diversified market consisting of workforce solutions and other HR services.

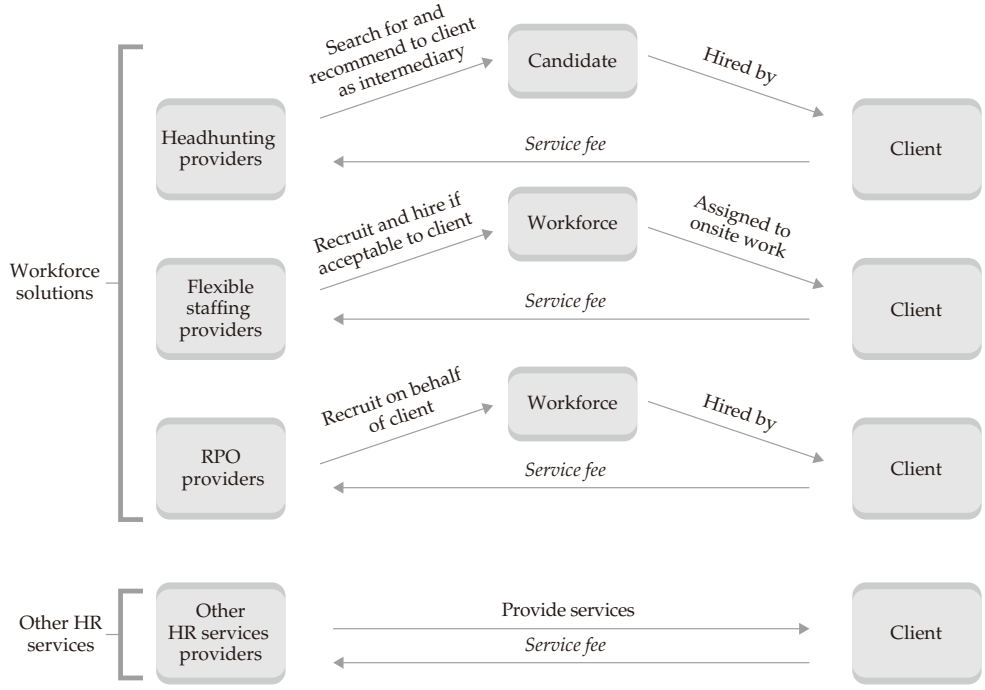
Workforce solutions refer to a comprehensive service that helps employers find qualified candidates for specific positions from top-down, covering senior, junior and entry-level positions within the management structure. Workforce solutions market consists of headhunting services, recruitment process outsourcing (RPO) services and flexible staffing services:

1). Headhunting services are used to source and locate experienced talent qualified to address specific requirements for jobs having a relatively high level of salary.

2). RPO services are used when an employer transfers all or part of its recruitment process to an external service provider, generally more than 100 job positions at a time. The annual salary for these positions is relatively lower compared with that of headhunting services.

3). Flexible staffing services providers assign contracted employees to work for another company depending on the requirements generated by a given project or position.

Other HR services include labor dispatch, payroll services, staff training and development services, HR consulting, career transitioning, *etc*. The diagram below illustrates major services available in the workforce solutions market in Greater China:

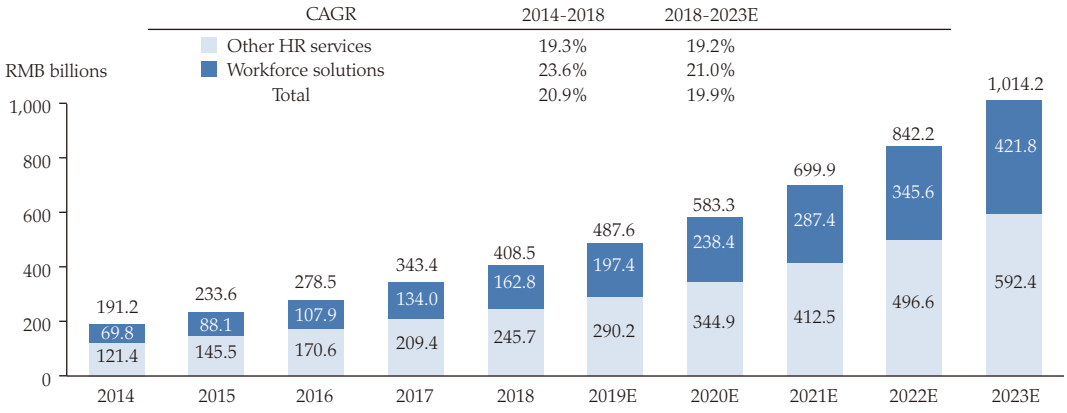


Market Size

During the last five years, PRC's economy has experienced significant growth with its real GDP increasing from RMB65.4 trillion in 2014 to RMB84.9 trillion in 2018 due to the continued development of the service industry including telecom, finance, computer science, *etc*. As a result of on-going economic growth, PRC's enterprises have emphasized the increasing demand of high quality HR services in order to ensure the substantial expansion of their businesses, which is stimulating the development of HR services market in the PRC.

The PRC's HR services industry has been growing rapidly over the past five years primarily driven by the growing demand for qualified and competitive talent and the increasing budget of companies allocated to HR service, especially for the workforce solutions sector. In terms of revenue, the total market size increased from RMB191.2 billion in 2014 to RMB408.5 billion in 2018, representing a CAGR of 20.9%, and is expected to arrive at RMB1,014.2 billion in 2023 due to favorable government support and increasing demands from fast-growing emerging industries such as new retail, finance, *etc*. The following chart illustrates the total market size of the HR services market in the PRC in terms of total revenue:

Size of human resource services market, the PRC, 2014-2023E



Source: *CIC Report*

Compared with the PRC, the sizes of HR services markets in Hong Kong, Macau and Taiwan are relatively small. As the HR services markets are already well-established and developed in these regions, the market sizes are projected to maintain steady and slow growth in the future. The HR services market in Hong Kong increased from RMB8.6 billion in 2014 to RMB12.0 billion in 2018, representing a CAGR of 8.8%, and is expected to continue growing in the next five years and reach RMB17.6 billion in 2023 due to favorable government policies and close business interaction with the PRC under the strategic development of the Guangdong-Hong Kong-Macau Bay Area. In addition, the size of Taiwan HR services market is predicted to increase from RMB14.7 billion in 2018 to RMB20.5 billion in 2023 with a CAGR of 6.8% when that of Macau is expected to reach RMB2.5 billion by 2023.

Prevailing Trends

A more regulated market as a result of new HR services regulations

Regulations such as the Labor Dispatch Provisions and the Tax Reform Plan issued in 2014 and 2018, respectively, have transformed the HR services market in Greater China into a more regulated market. The Labor Dispatch Provisions intend to prevent companies from abusing labor dispatch by explicitly defining the legal obligations of labor dispatch services providers, such as labor contracts with dispatched workers for a fixed-term of at least two years, and the full payment of remuneration and social insurance in a timely manner. In addition, the Tax Reform Plan would shift the responsibility of collecting social insurance funds from the bureau of human resources and social security to the bureau of tax with the aim of improving the efficiency and building a unified taxation system to ensure the full social insurance contributions for the workforce from HR services providers. This will raise the entry barriers of HR services market as well as bring more opportunities for well-established and qualified HR services providers in Greater China.

Higher workforce mobility within Greater China

Authorities of the PRC, Hong Kong and Macau have been encouraging workforce mobility in the regions. Starting from August 2018, PRC work permits are no longer required for Hong Kong and Macau residents, which encourages workforce inflow from those regions. Likewise, Hong Kong Government has introduced Admission Scheme for Mainland Talent and Professionals to attract PRC talent to work in Hong Kong in order to meet local manpower needs and enhance Hong Kong's competitiveness in the global market. More trade interflow and economic cooperation are expected to generate higher workforce mobility within Greater China.

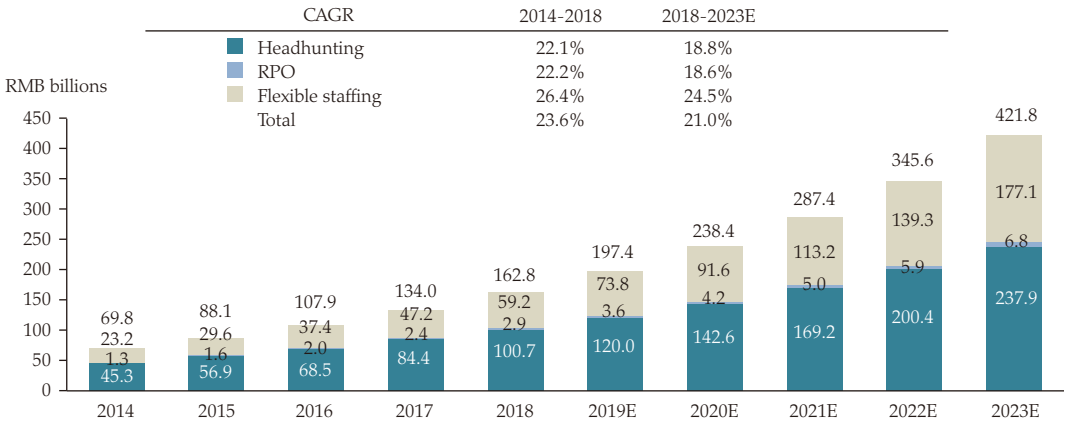
OVERVIEW OF THE WORKFORCE SOLUTIONS MARKET IN THE PRC

Market Size

The PRC workforce solutions market expanded at a robust pace between 2014 and 2018. In terms of revenue, its market size increased from RMB69.8 billion in 2014 to RMB162.8 billion in 2018, representing a CAGR of 23.6%, and is expected to reach nearly RMB421.8 billion in 2023 due to favorable government policies and increasing demands for workforce. By individual segments, headhunting services, despite occupying the largest proportion of the total market, dropped mildly in market share from 64.9% to 61.9% between 2014 and 2018. Meanwhile flexible staffing model has enjoyed popularity among enterprises because it allows businesses to remain flexible while transferring employment risks to the service providers, with its market share rising from 33.2% to 36.4% during the same period. Moreover, the size of RPO services market maintained a steady increase with the revenue rising from RMB1.3 billion to RMB2.9

billion between 2014 and 2018, and is predicted to reach RMB6.8 billion by 2023. The following chart illustrates the market size of the workforce solution market in the PRC in terms of total revenue:

Size of the workforce solutions market, the PRC, 2014-2023E



Source: *CIC Report*

Market Drivers

Growing businesses stimulating demand for workforce solutions

The number of businesses in the PRC have experienced rapid growth, increasing from 18.2 million in 2014 to 36.1 million in 2018 with a CAGR of 18.7%. The service industries increased from 13.3 million in 2014 to 28.4 million in 2018, representing a CAGR of 20.8%. The total number of businesses in the service industries is expected to follow this increasing trend in the future given the continuous industrial upgrades. Furthermore, the number of foreign-capital businesses in the PRC has experienced steady growth, increasing from 0.4 million in 2013 to 0.5 million in 2017, representing a CAGR of 4.7%. The continuous economic development and industrial upgrades will boost workforce demand.

Unbalanced demand-to-supply ratio

The demand-to-supply ratio of workforce in the PRC is calculated as the total number of job vacancies divided by the number of job applicants at a certain point in time. According to the Ministry of Human Resources and Social Security, the PRC's workforce market has experienced a year-by-year shortage in supply between 2014 and 2018, with the demand-to-supply ratio having hovered above one for a sustained period of time since then, indicating that there has been a workforce shortage. As a result, the discrepancy between supply and demand is expected to open the door for the continued development of the workforce solutions market in the PRC. In particular, the supply and demand unbalance, especially in terms of high-quality talent, is expected to drive the further expansion of headhunting services.

Favorable policies issued by the PRC government propelling the market

The PRC government attaches great importance to human resource development as talent has been considered an important driving force to the PRC's economic development. The National Medium and Long-term Talent Development Plan (2010-2020), jointly launched by the Central Committee of the Chinese Communist Party and the State Council in June, 2010, creates a blue print for building a highly skilled national workforce. According to the plan, the total number of workforce with professional knowledge or specialized skills, including IT programmers, pharmacists and engineers, will increase by 58% to 0.18 billion in 2020 from 0.11 billion in 2010. Besides, the number of research staff in per ten thousand workers will reach 43

while the proportion of highly skilled workers in skilled people will reach 28%. With such favorable policies, the PRC's workforce solutions market, especially in terms of top talent, is expected to maintain a fast-pace growth in the future.

Headhunting services satisfy the increasing demand for high quality talent from "new economy"

The "new economy" refers to businesses that realize rapid growth through entrepreneurship, technological advancements, and innovative business models, among others, such as retail, healthcare, finance and new energy industries. Most of the industries in the new economy need talent of higher quality due to the high-tech characteristics of these industries. The gross merchandise volume (the "GMV") for the new economy increased from US$1.4 trillion in 2014 to US$4.1 trillion in 2018, and is estimated to reach US$10.3 trillion in 2023. The GMV for the new economy, as a percentage of the GMV for the overall economy, also increased from 13.2% in 2014 to 22.5% in 2018, and is estimated to reach 32.8% in 2023. As a result, driven by the development of new economy, the increasing demand for high quality talent has and is expected to stimulate further expansion of the headhunting services market in the PRC.

Flexible staffing reduces operation costs and eases temporary employment demand

Flexible staffing services allow enterprises to transfer time-consuming administrative tasks or other professional work to third-party service providers, which in turn allows these enterprises to focus more on their core business and competencies while improving overall productivity and efficiency. Moreover, flexible staffing is a more cost-effective workforce solution to fulfill seasonal or temporary employment demand compared to direct hiring. In addition, it enables enterprises to avoid employment risks associated with resignations, lay-offs, etc. Furthermore, the Labor Dispatch Provisions issued in 2014 provide that an enterprise could have no more than 10% dispatched employees in their overall workforce. Thus, enterprises need to adapt to the new employment regime and an increasing number of enterprises will consider switching to flexible staffing services in order to meet regulatory demands.

Advantages of RPO over in-house recruitment

RPO services providers have advantages over in-house recruitment teams in terms of cost-saving, flexibility, expertise and resources. It is worth noting that PRC enterprises are facing increasing human capital costs and growing operation costs with the average annual salary in the private sector increasing from RMB32,706 in 2013 to RMB45,761 in 2017. Meanwhile, the average annual salary increased from RMB51,483 to RMB74,318 during the same period in the non-private sector. Consequently, the increasing human capital cost of running an enterprise and building an in-house recruitment team is predicted to be a burden to most PRC enterprises. These trends will cause an increasing number of enterprises to outsource their recruitment process to RPO services providers.

Threats and Challenges

With the development of automation technology, job positions that are labor-intensive, such as assembly-line workers, will be replaced due to the cost-effectiveness and efficiency brought by the application of such technology. Thus, it is expected that such kinds of positions will decrease, which poses challenges for workforce solutions providers.

Entry Barriers

Qualifications required to serve large clients

Large clients usually select workforce solutions providers from a list of vendors who have already established a reputation for delivering high quality services and excellent outcomes. These service providers have usually acquired years of industry experience and obtained widely recognized reputation so large clients prefer to carry on working with them. As a result, it is difficult for new entrants with limited recognition and experience to compete with well-established services providers, which prohibits new entrants from serving large clients and achieve further development. Thus, there is an entry barrier to serve large clients when entering the workforce solutions market.

A professional team with industry expertise and experience

Workforce recruitment process comprises different stages, including planning, job marketing, talent sourcing, candidate assessment, *etc.* Moreover, there are varying demands from clients in different industries, including finance, computer science, engineering, *etc.* As a result, it is necessary for a workforce solutions provider to own a reasonable number of

professional consultants with different breadths of experience and develop a deep understanding of HR services industries to deliver an end-to-end recruitment solution for a client. However, it is time-consuming and expensive for new entrants to set up a well-established team with professional experience, which creates barriers for new entrants in workforce solution market in the PRC.

Capability and capacity to deliver services in a cost-effective and highly-efficient way

Clients prefer to work with workforce solutions providers capable of delivering a comprehensive solution in a cost-effective and highly-efficient way. A rich database of workforce enables workforce solutions providers to screen out a large volume of ineligible workforce and select suitable talent to meet clients' needs. This saves the cost in sourcing relevant information among thousands of talent. However, the accumulation of a talent database takes a long time, which makes it difficult for a new entrant with limited talent database to provide a cost-effective and highly-efficient solution. This poses challenges for new entrants to establish client relationships and thus is an entry barrier of the PRC's workforce solutions market.

Key Success Factors

Rich industry experience and a deep understanding of the client's needs

The ability to provide tailored workforce solution services requires a service provider to be equipped with rich industry experience and a deep understanding of the client's needs. Currently, people have witnessed substantial increase in large scale domestic enterprises rooted in diversified industries such as engineering, technology, media and telecommunication (TMT) and finance, which differ substantially from each other in terms of working skills and development strategy. With the in-depth knowledge of the client's needs, workforce solutions providers are able to identify the most suitable candidates for clients.

Consistent supply of professional workforce solutions consultants

Due to the unique business model, the success of workforce solutions providers heavily relies on the number and quality of its professional consultants. Therefore, to constantly deliver high quality workforce solutions, a workforce solutions provider should retain a sufficient number of high quality professional consultants. A well-designed incentive scheme can effectively lower down the turnover rate and keeps motivating and retaining high quality consultants. Therefore, workforce solutions providers should establish a well-designed incentive scheme to achieve excellent performance.

Well-established brand reputation

The PRC has been a late starter in the workforce solutions market. Meanwhile, local businesses in the PRC have limited experience in the operation of in-house recruitment functions, and thus prefer the third-party workforce solutions providers with well-established reputations. Those well-recognized workforce solutions providers have extensive experience in carrying out of recruitment activities and knowledge of the most advanced recruitment practices meanwhile are deeply rooted in the PRC market with a long operating history and a well-established client base. Therefore, a well-established brand reputation can bring significant competitive advantage in the PRC's workforce solutions market.

Large and stable cash flow

Workforce solutions providers in some cases are required to pay their employees' salaries, social insurances, and housing funds in advance, especially for the flexible staffing services due to the unique business model. Clients will then pay them back as part of the total service fee later. This can be a strain on a workforce solutions provider's cash flow, especially when services providers have to pay hundreds of employees' salaries, social insurances, and housing funds. Thus, it is critical for workforce solutions providers to maintain large and stable cash flow to cover advance payments incurred by the human capital.

Market Trends

Serving clients with a platform providing a one-stop workforce solution

The workforce solutions market in the PRC has witnessed a trend of market participants moving towards a one-stop workforce solutions platform providing a full spectrum of services. It is observed that the requirements for HR services from one single client is becoming more diverse, requiring not a single type of HR service but several HR services, including but not

limited to headhunting, RPO, flexible staffing and other HR services. A one-stop workforce solution platform provides convenience in enabling the purchase of all HR services from one services provider. Besides, clients are able to better manage different HR services in a more cost-effective way having only to work with one services provider. From the perspective of services providers, a comprehensive business coverage will maximize the value per client through cross-selling. It can also ensure stable operating performance in different phases of an economic cycle. Therefore, an increasing number of market participants are expected to expand their capability and capacity to provide one-stop workforce solutions.

A further consolidation is expected as a result of new regulation

Recent regulations, such as the Tax Reform Plan, create a more regulated environment which favors large, sophisticated and compliant market players. The Tax Reform Plan would shift the responsibility of collecting social insurance funds from the Bureau of Human Resources and Social Security to the Bureau of Tax and oblige enterprises to make full payments on required social insurance and housing funds for their employees by reporting the same payment bases to the Bureau of Human Resources and Social Security and the Bureau of Tax respectively. One of the purposes of Tax Reform Plan is to promote full coverage of social insurance contributions for the workforce employed by HR service providers. With the Tax Reform Plan, it would become more difficult for small non-compliant HR service providers to evade social insurance payments by reporting a lower payment bases to the bureau of Human Resources and Social Security. Under the Tax Reform Plan, there will be less incentive for enterprises to go to small non-compliant HR service providers as they can no longer save costs by underpaying, social insurance for their employees. Enterprises will be more inclined to turn to sizable market players with strong reputation and good compliance records.

Technological innovations combined with workforce solutions will improve efficiency

The traditional workforce solution process, from sourcing to scheduling, heavily relies on human input, and thus, is not time-and-cost efficient. With the increasing penetration of technology, the above problems can be solved by replacing human input with AI and other tools, and switching from offline towards online such as online recruitment talk. Technological innovations are expected to be increasingly adopted into workforce solutions, which can potentially provide significant improvements to time efficiency, matching accuracy and cost efficiency. As a result, the trend of the increasing use of technology in the workforce solutions market is expected to last into the foreseeable future and further stimulate the workforce solutions market in the PRC.

Skill-based training enables service providers to build their own workforce resources

Skill-based training refers to professional skill training for a given project in certain industries, such as auditing and accounting in financial services, to enable recruited staff better understand the given projects and industry so as to deliver high-quality outcomes. Service providers offer a comprehensive training program customized for the various industries on their centralized HR management platform will help the recruited staff acquire industry-specified skills, which not only contributes to the improved project delivery but also enables to build their own workforce resources equipped with industry skills. This will gain them competitive advantage in workforce acquisition.

Increasing application of digital platforms in flexible staffing services

According to CIC, flexible staffing services in the PRC has been growing at a CAGR of 26.4% from 2014 to 2018 which is much higher than the overall growth of workforce solutions market in the PRC. The market size of flexible staffing services increased from RMB23.2 billion in 2014 to RMB59.2 billion in 2018, with the market share growing from 33.2% to 36.4% in the same period. It is projected that the market size of flexible staffing services will reach RMB177.1 billion with the market share of 42.0% in 2023. The application of digital workforce platform improves management efficiency and attracts skillful workforce given the convenience digital workforce platforms provide. Therefore, digital workforce platforms can match the flexible workforce in the database with volume-based flexible staffing positions. On the one hand, as more and more people prefer to choose flexible work instead of sticking to one permanent job, digital workforce platforms will attract candidates and match them with positions. On the other hand, digital workforce platforms can bring convenience and efficiency to small-sized

enterprises with flexible staffing demands to recruit qualified people as they can access the large candidate pool. Therefore, the growth of flexible staffing services is expected to lead to the increase in the demand for digital workforce platforms.

OVERVIEW OF THE WORKFORCE SOLUTIONS MARKET IN HONG KONG, MACAU, AND TAIWAN

Hong Kong, Macau and Taiwan held only a small proportion of the workforce solutions market during last five years. Hong Kong's workforce solutions market grew from RMB4.2 billion in 2014 to RMB6.9 billion in 2018 with a CAGR of 13.4% , and is projected to reach RMB11.7 billion in 2023. Macau's workforce solutions market, which is of a comparatively smaller scale, rose from RMB0.6 billion to RMB1.0 billion between 2014 and 2018 and is estimated to reach RMB1.6 billion in 2023. Workforce solutions market in Taiwan also indicates a relatively slowly-growing trend compared to that of PRC. The market size increased from RMB4.6 billion to RMB7.3 billion during the same period, representing a CAGR of 12.6%. It is forecasted that Taiwan's workforce solutions market will generate RMB11.9 billion revenue in 2023.

COMPETITIVE LANDSCAPE OF THE WORKFORCE SOLUTIONS MARKET IN GREATER CHINA

The ranking analysis of the workforce solutions market in Greater China and the PRC has included the key workforce solutions market players in such regions having similar business models in terms of types of services provided, sources of revenue and cost of services, which are considered to be in direct competition with us. All the market players included below, including us, provide comprehensive workforce solutions covering the segments of headhunting, flexible staffing and RPO services in Greater China or the PRC. The ranking analysis does not aim to cover exhaustively all HR service providers in the relevant regions which do not engage in the provision of same or similar types of services provided by us. Therefore, certain HR service providers are not included in the ranking analysis having considered the following parameters:

i.) Other HR service providers—including labor dispatch, payroll services, staff training and development services, HR consulting, career transitioning, etc. Other HR services are not considered to be part of the workforce solutions market as such services relate primarily to staff development and workforce management but not the hiring of permanent or temporary employees by the corporate employers. Further details of the other HR services market are set out in the paragraphs headed "Overview of Other HR Services Market" in this section.

ii.) Online recruitment advertising service providers—including operators of online recruitment advertising platforms of websites and mobile applications utilized by corporate employers and job seekers. Operators of online recruitment advertising platforms derive revenue primarily through fees charged to employers for placing recruitment advertisements and resume downloading, whereas workforce solutions service providers such as our Group derive revenue primarily from successful placing or hiring of employees by our corporate clients under a results-oriented approach.

The workforce solutions market is highly fragmented in Greater China with a total of over 20,000 providers and the top five players accounted for a 5.14% market share as of December 31, 2018. The following chart illustrates workforce solutions providers who ranked top five in Greater China:

Rankings of the Workforce Solutions Market in Greater China, 2018

Ranking	Companies	Company description	Revenue, RMB billions	Market share %
1.	The Company		3.09[(1)(2)]	1.74%
2.	Company A	• State-owned • Headquartered in Beijing • Major services covering headhunting, RPO, flexible staffing	*approx.* 2.15	1.21%
3.	Company B	• Private • Listed in the main board of Shenzhen Stock Exchange • Headquartered in Beijing • Major services covering headhunting, RPO, flexible staffing	*approx.* 1.65	0.93%
4.	Company C	• Private • Headquartered in Shanghai • Major services covering flexible staffing	*approx.* 1.50	0.84%
5.	Company D	• Foreign-owned • Listed in the New York Stock Exchange • Headquartered in Amsterdam • Major services covering headhunting, RPO, flexible staffing	*approx.* 0.75	0.42%

Notes:

(1) This includes the revenue generated from Guangzhou Reach. The Company sold a majority stake in Guangzhou Reach in December 2018 and no longer consolidates Guangzhou Reach in its results of operations. See the section headed "Financial Information—Selected Statements of Profit or Loss Items—Discontinued Operations" for more details.

(2) A small portion of the Company's flexible staffing services is conducted through labor-dispatch associates and CIC confirms it will not change the business nature of the Company's flexible staffing services due to the insignificant size, thus, will not impact the overall ranking of the Company in the workforce solutions market.

The Company is the leading player in the workforce solutions market, with revenue reaching RMB3.09 billion and a market share of 1.74% in 2018. The Company's ranking is higher than that of Company A with a revenue of around RMB2.15 billion and a 1.21% market share. Company B ranked the third with a revenue of approximately RMB1.65 billion, accounting for a market share of 0.93% in 2018.

The workforce solutions market in the PRC is also highly fragmented, with the top five players accounting for an aggregate market share of 4.77% in terms of revenue in 2018. The following chart sets forth information about the top five workforce solutions providers in the PRC:

Rankings of the Workforce Solutions Market in the PRC, 2018

Ranking	Companies	Company description	Revenue, RMB billions	Market share %
1.	Company A	• State-owned • Headquartered in Beijing • Major services covering headhunting, RPO, flexible staffing	*approx.* 2.15	1.32%
2.	The Company		1.81[(2)(3)]	1.11%
3.	Company B	• Private • Listed in the main board of Shenzhen Stock Exchange • Headquartered in Beijing • Major services covering headhunting, RPO, flexible staffing	*approx.* 1.60	0.98%
4.	Company C	• Private • Headquartered in Shanghai • Major services covering flexible staffing	*approx.* 1.50	0.92%
5.	Company D	• Foreign-owned • Listed in the New York Stock Exchange • Headquartered in Amsterdam • Major services covering headhunting, RPO, flexible staffing	*approx.* 0.71	0.44%

Notes:

(1) Companies A, B, C and D referred to in this table are the same as those under the table above for the rankings of the workforce solutions in Greater China.

(2) This includes the revenue generated from Guangzhou Reach. The Company sold a majority stake in Guangzhou Reach in December 2018 and no longer consolidates Guangzhou Reach in its results of operations. See the section headed "Financial Information—Selected Statements of Profit or Loss Items—Discontinued Operations" for more details.

(3) A small portion of the Company's flexible staffing services is conducted through labor-dispatch associates and CIC confirms it will not change the business nature of the Company's flexible staffing services due to the insignificant size, thus, will not impact the overall ranking of the Company in the workforce solutions market.

The Company ranked the second among the other participants with a revenue of RMB1.81 billion, representing a market share of 1.11% in China's workforce solutions market in 2018.

OVERVIEW OF OTHER HR SERVICES MARKET

Market Size

In the PRC, other HR services market increased from RMB121.4 billion to RMB245.7 billion between 2014 and 2018, and is predicted to reach RMB592.4 billion in 2023. Hong Kong's other HR services market experienced a stable increase from RMB4.4 billion in 2014 to RMB5.2 billion in 2018, and is projected to grow to RMB5.9 billion in 2023. Macau's other HR services market is smaller-scaled. The market size rose from RMB0.6 billion to RMB0.8 billion during the period of 2014 and 2018, and is estimated to increase at a CAGR of 3.4% and reach RMB0.9 billion in 2023. Taiwan's other HR services market also reflects a slowly-growing trend. The market size increased from RMB6.2 billion to RMB7.4 billion during the same period. It is forecasted that Taiwan's other HR services market will generate RMB8.6 billion revenue in 2023.

Market Drivers

Favorable tax policy boosts the staff training and development market growth

PRC Ministry of Finance's newly issued Circular 51 prescribes that from January 1, 2018, all enterprises shall be eligible to deduct employee education expense of up to 8% of employees' total salaries and wages for corporate income tax purposes, any excess amount can be carried forward to future years. As a result of such favorable tax policy, further expansion of staff training and development market in the PRC is anticipated. The market size of staff training and development market is expected to increase from RMB26.3 billion in 2018 to reach RMB70.1 billion in 2023, with a CAGR of 21.7%.

Intense market competition needs better employees

As business continues to develop in a stable pace, markets in all of the industries in Greater China will become more competitive. One of the most important aspects of competitiveness for enterprises is their employees. Enterprises with more trained and qualified employees are expected to have competitive advantages in business over others. Thus, enterprises, faced with intense competition, are expected to invest more in staff training and development in order to gain success.

Outsourcing services brings cost efficiency

Enterprises will streamline their built-in departments and invest more resources to the primary business to lower unnecessary costs. In this way, clients streamline the size of personnel force and save the costs such as the recruitment or management fees required for maintaining an in-house department. Third-party professional outsourcing services enable clients to better control cost strategies.

Market Trends

Integrated HR service

Different HR services are provided by diversified service providers, which indicates that there are few interactions between services. However, a new trend of integrated HR services has been observed. On one hand, an increasing number of enterprises have recognized that it is much more beneficial to partner with integrated service providers rather than spending the additional time required to communicate with several service providers simultaneously. On the other hand, there are incentives for service providers to offer an integrated HR service, given that integrated HR services can increase business opportunities and revenue.

Personalized training for the senior level

The current training & development service is mainly directed at junior employees of enterprises, which includes training in business English, social etiquette, *etc*. Inversely, a service which targets senior employees has not been in operation for long and broad enough. As a result, an increasing number of service providers are expected to expand the scope of target clients to include senior employees and provide innovative training programs over cutting-edge topics, such as artificial intelligence, big data, *etc.*, in order to achieve a better revenue performance.

Labor costs analysis

The major operating costs incurred by workforce solutions providers is labor costs. The average annual income in the PRC has achieved the fastest growth among the four markets in the Greater China region, having increased from RMB53,700 to RMB77,500 between 2013 and 2017, representing a CAGR of 9.6%. The average annual income in Hong Kong and Macau has achieved have grown at similar rates, increasing from RMB151,300 and RMB119,600 to RMB182,600 and RMB149,800 between 2013 and 2017, with a CAGR of 4.8% and 5.8%, respectively. The average annual income in Taiwan has achieved the lowest growth, having increased from RMB127,600 to RMB147,300 between 2013 and 2017, representing a CAGR of 3.7%.

OVERVIEW

The history of our Group can be traced back to March 1997, when Manpower Services HK, now one of our subsidiaries, first commenced operations in Hong Kong. Manpower Services HK was established by Manpower Holdings, a then and existing subsidiary of MAN, to provide human resources services in Hong Kong. Since commencement of our business in 1997 and through over two decades of operations, we have expanded our geographical presence in the Greater China region with more than 20 offices across the region; whereas MAN, our largest stakeholder and a NYSE-listed company, is a world leader in workforce solutions and services with a global network of nearly 2,600 offices in 80 countries and territories across Americas, Europe, and Asia Pacific Middle East, according to its 2018 annual report.

Our established history in offering full-service workforce solutions has equipped us with a thorough understanding of customer needs and the industry as a whole, which makes up our core competitive advantage in the human resources services market.

We have developed into a group which provides full-service workforce solutions in the Greater China region, including Shanghai, Beijing, Guangzhou, Shenzhen, Hong Kong, Taiwan and Macau. According to CIC, we are the largest and second-largest in the workforce solutions market in the Greater China region and the PRC, respectively, in terms of revenue in 2018.

KEY BUSINESS DEVELOPMENT MILESTONES

The following table sets forth the key business milestones of our Group:

Year	Milestone Event
1997	Manpower Services HK was incorporated in Hong Kong and Manpower Services Taiwan was established in Taiwan to provide human resources services in Hong Kong and Taiwan, respectively.
2003	Manpower Services HK was awarded the Caring Company Logo under the Caring Company Scheme launched by the Hong Kong Council of Social Service. Manpower China was established in the PRC to provide headhunting and human resources consultancy services in the PRC.
2007	Manpower Services Macau was incorporated in Macau to provide human resources services in Macau. The Labor Contract Law was promulgated on June 29, 2007 to, among others, regulate labor dispatch services providers. According to the CIC Report, Manpower China was one of the first batch of labor dispatch services providers to obtain the approval to provide labor dispatch services from Shanghai Administration of Personnel (上海市人事局) in the same year.

Year	Milestone Event
2008	We launched our flexible staffing service in the PRC.
2010	We assisted in recruiting and managing various types of staff for several national pavilions at the Shanghai World Expo, and received the "World Expo Service Pioneer Service Award" for our services.
2012	Manpower China was approved by the SAIC to change its name and use the word "China" in its name. Such approval is granted based on the applicant's industry influence and scale. According to the CIC Report, Manpower China was the first non-state-owned workforce solutions provider to obtain such approval.
2015	CM Phoenix Tree became a 49% Shareholder of our Company. CM Phoenix Tree is a limited company indirectly controlled by CPEChina Fund II, which is a fund whose ultimate general partner is CITIC PE Funds II. Manpower China obtained approval from the Shanghai Municipal Commission of Commerce (上海市商務委員會) for it to be our regional headquarters of the Greater China region. According to the CIC Report, we were among a few multinational workforce solutions providers with regional headquarters for the Greater China region in the PRC.
2017	We celebrated the twentieth anniversary of the establishment of our operations in the Greater China region. As of December 31, 2017, we had more than 1,200 full time employees, and had provided full range workforce solutions to more than 20,000 companies in more than 80 cities in the Greater China region.

Corporate Development

The major corporate developments of our Company and members of our Group which were material to our performance during the Track Record Period are set out below:

Our Company

Our Company was incorporated as the holding company of our Group in the Cayman Islands, which is an exempted company with limited liability on September 26, 2014. On such day, one subscriber Share was allotted and issued to the initial subscriber, an independent third party, who on the same date transferred that one Share to Manpower Holdings. On September 30, 2014, one Share was allotted and issued, credited as fully paid, to Manpower Nominees, and our Company became held as to 50% by each of Manpower Holdings and Manpower Nominees, respectively. On July 16, 2015, 5,429 Shares and 4,569 Shares were allotted and issued, credited

as fully paid to Manpower Holdings and Manpower Nominees, respectively, and our Company then became held as to 54.3% and 45.7% by Manpower Holdings and Manpower Nominees, respectively.

Pursuant to a share subscription agreement dated September 17, 2014 as amended on July 4, 2015 among CM Phoenix Tree, Manpower Holdings, Manpower Nominees and MAN, CM Phoenix Tree subscribed for and was allotted and issued 9,608 Shares by the Company on August 28, 2015, the subscription price of which was determined after arm's length negotiation between the parties with reference to the then net asset value of the Company and other commercial considerations. Such subscription price was settled in August 2015. Since completion of the above allotment, our Company has been held as to approximately 27.69%, 23.31% and 49.00% by Manpower Holdings, Manpower Nominees and CM Phoenix Tree, respectively. The management teams of the MAN Group and the subsequent major stakeholder of CM Phoenix Tree were introduced by the management of the Company, which in turn first became acquainted with such stakeholder through various industry association events. With the MAN Group and CM Phoenix Tree both anticipating the positive synergies which could be brought about through the joint ownership and management of the Group, the Company was formed as the holding company of such joint venture. The MAN Group and CM Phoenix Tree are acquainted only through the joint venture partnership in our Company and have no prior or other existing relationship.

On January 18, 2019, the authorized share capital of the Company was redenominated and subdivided from US$50,000 divided into 50,000 shares of US$1 each to HK$380,000 divided into 38,000,000 Shares of HK$0.01 each. The 5,430 Shares, 4,570 Shares and 9,608 Shares of US$1 each of our Company held by Manpower Holdings, Manpower Nominees and CM Phoenix Tree, respectively, were also converted into 4,126,800 Shares, 3,473,200 Shares and 7,302,080 Shares of HK$0.01 each. The shareholding percentages of our Shareholders remained unchanged after the above changes in our authorized and issued share capital.

Manpower Services HK

Manpower Services HK was incorporated in Hong Kong on January 6, 1997 with limited liability, and is principally engaged in providing full range human resources services in Hong Kong, including flexible staffing, headhunting, RPO and other human resources services. As of its date of incorporation, Manpower Services HK allotted and issued one fully paid share to each of two independent third party initial subscribers. On March 6, 1997, each of such initial subscribers transferred the one share held by then to each of MAN and Manpower Nominees at a nominal consideration of HK$1, respectively and Manpower Services HK became held as to 50% by each of MAN and Manpower Nominees.

During 1999 to 2015, there was a series of changes in shareholdings in Manpower Services HK. As of June 22, 2015, Manpower Services HK became held as to approximately 54.30% and 45.70% by Manpower Holdings and Manpower Nominees, respectively.

On July 13, 2015, Manpower HK acquired approximately 45.70% equity interest in Manpower Services HK from Manpower Nominees at a consideration of HK$153,156,921, which was satisfied by the allotment and issuance of 4,569 shares in Manpower HK to Manpower BVI, and approximately 54.30% of equity interest in Manpower Services HK from Manpower Holdings at a consideration of HK$181,139,753, which was satisfied by the allotment and issuance of 5,429 shares in Manpower HK to Manpower BVI. Manpower BVI was, at the time of such allotment and issuance, indirectly owned by Manpower Nominees and Manpower Holdings. As a result, upon completion of the above transfer of shares, Manpower Services HK became a wholly-owned subsidiary of Manpower HK.

Manpower China

Manpower China was established in the PRC on March 18, 2003 and is principally engaged in the provision of headhunting and human resources consultancy services in the PRC. Upon incorporation, it had an initial registered capital of US$150,000 and was held as to 80% and 20% by Manpower Holdings and Guangzhou Standard Human Resources Management Consultancy Co. Limited (廣州斯坦達人才管理顧問有限公司) ("**Guangzhou Standard**"), an independent third party, respectively.

The HR Interim Provisions was promulgated on September 4, 2003 and became effective since November 1, 2003. They require foreign investors engaged in talent intermediary services intending to launch talent intermediary services agencies in the PRC to obtain HR Service Licenses from the competent authorities. According to the CIC Report, Manpower China was one of the first batch of foreign human resources agencies granted with such HR Services Licenses from the local Administration of Human Resources and Social Security in the same year.

On June 18, 2007, the registered capital of Manpower China was increased from US$150,000 to US$300,000, of which US$90,000 was contributed by Manpower Holdings and US$60,000 was contributed by Guangzhou Standard. After the capital injection, Manpower China became held as to 70% and 30% by Manpower Holdings and Guangzhou Standard.

On February 5, 2009, Manpower Services HK acquired the entire equity interest of Manpower China from Manpower Holdings and Guangzhou Standard for a consideration of US$1,258,000 and US$3,700,000, respectively, which was determined with reference to the then net asset value of Manpower China and other commercial considerations and was settled in February 2009 and April 2009, respectively.

After a series of capital injections by Manpower Services HK as the sole shareholder of Manpower China, the registered capital of Manpower China was increased from US$300,000 to US$4,800,000 by September 2011.

Event Elite

Event Elite was incorporated in Hong Kong on July 12, 2000 with limited liability and is principally engaged in providing marketing and business promotion services in Hong Kong. Upon incorporation, Event Elite was held as to 90% by Mr. Lee Chun Man, a then and current director of Event Elite and hence a connected person of our Company, and 10% by Mr. Lee Kui Loi, an independent third party.

During 2000 to 2013, there was a series of changes in shareholdings in Event Elite among independent third parties. As of January 30, 2013, Event Elite became held as to approximately 60.00% and 40.00% by Mr. Lee Chun Man and Mr. Yeung Cheung Sang, both directors of Event Elite and connected persons of our Company, respectively.

Pursuant to a share purchase agreement dated July 4, 2017, Manpower Services HK acquired approximately 50.99% of the equity interest in Event Elite for a consideration of approximately HK$64.0 million. The consideration was determined after arm's length negotiations between the parties with reference to the net profit of Event Elite for the year ended December 31, 2016 and was settled in August 2017. Upon the completion of the acquisition, Event Elite became held as to approximately 50.99%, 29.41% and 19.60% by Manpower Services HK, Mr. Lee Chun Man and Mr. Yeung Cheung Sang, respectively. Such interest in Event Elite was acquired so as to continue the expansion of our Group's flexible staffing services in Hong Kong. Pursuant to the acquisition, a shareholders' agreement dated July 4, 2017 was entered into among Mr. Lee Chun Man, Mr. Yeung Cheung Sang, Manpower Services HK and Event Elite in relation to, among others, a right of Event Elite to request Mr. Lee Chun Man and Mr. Yeung Cheung Sang (the "**Minority Shareholders**") as the existing shareholders of Event Elite at the time of the transfer to provide financing to Event Elite until December 31, 2020 in the event of an insufficiency of working capital as defined in such agreement; board appointment and voting arrangements in relation to board and general meetings; provisions relating to the transfer of shares in Event Elite to third parties and other obligations and restrictions on the Minority Shareholders, as well as certain other matters in relation to Event Elite.

Manpower Services Taiwan

Manpower Services Taiwan was established in Taiwan on July 23, 1997 as a company limited by shares and is principally engaged in human resources services in Taiwan. Upon incorporation, it had an initial paid-in capital of NT$2,000,000 and was held as to 99.97% by MAN and 0.03% in aggregate by Manpower Holdings, Manpower Nominees, Manpower Incorporated of New York, Manpower US Inc., Transpersonnel, Inc. and Manpower CIS Inc., the then subsidiaries of MAN. Since its incorporation, there was a series of changes in shareholdings, and as of December 8, 2014, Manpower Services Taiwan was held as to approximately 99.99% by Manpower Holdings and approximately 0.01% in aggregate by the Initial Group Shareholders, Manpower US Inc. and Manpower CIS Inc., of which Manpower Nominees, Manpower US Inc. and Manpower CIS Inc. are the direct wholly-owned subsidiaries of MAN.

On June 11, 2015, ManpowerGroup Solutions HK, one of our subsidiaries, acquired approximately 99.99% interest in Manpower Services Taiwan from Manpower Holdings at a consideration of NT$171,599,715, which was determined with reference to the net asset value of Manpower Services Taiwan as of September 30, 2014 less the dividends of approximately NT$81 million made in October 2014 and was satisfied by the allotment and issuance of 99,993 shares in ManpowerGroup Solutions HK to Manpower Holdings in June 2015. Upon completion of such share transfer, Manpower Services Taiwan became held as to approximately 99.99% by ManpowerGroup Solutions HK and approximately 0.01% in aggregate by the Initial Group Shareholders, Manpower US Inc. and Manpower CIS Inc..

Manpower Enterprise Management

Manpower Enterprise Management was established in the PRC on February 10, 2012 and is principally engaged in providing flexible staffing services in the PRC. Since its incorporation, it has had a registered capital of RMB5,000,000 and has been wholly owned by Manpower China.

Right Management Shanghai

Right Management Shanghai was established in the PRC on January 20, 2015 and is principally engaged in providing human resources consulting, career transition and leadership coaching services in the PRC. Upon incorporation, it had an initial registered capital of RMB100,000 and was wholly owned by Right Management China Ltd. (睿仕管理顧問(上海)有限公司), an indirect wholly-owned subsidiary of MAN.

On June 1, 2016, Manpower China acquired the entire equity interest of Right Management Shanghai from Right Management China Ltd. for a nominal consideration of RMB1.

On September 23, 2016, the registered capital of Right Management Shanghai was increased from RMB100,000 to RMB5,000,000.

Manpower Information Technology

Manpower Information Technology was established in the PRC on July 25, 2014 and is principally engaged in providing recruitment process outsourcing services in the PRC. Upon incorporation, it had an initial registered capital of RMB2,000,000 and was wholly owned by Manpower Enterprise Management.

On April 27, 2018, Manpower China acquired the entire equity interest of Manpower Information Technology from Manpower Enterprise Management for a nominal consideration of RMB1.

Experis Shanghai

Experis Shanghai was established in the PRC on May 22, 2012 and is principally engaged in providing headhunting services in the PRC. Since its incorporation, it has had a registered capital of RMB5,000,000 and has been wholly owned by Manpower China.

DISPOSAL OF MAJORITY INTEREST IN GUANGZHOU REACH

Manpower & Reach Human Resource Service (Guangzhou) Co., Ltd. (廣州市銳旗人力資源服務有限公司) ("**Guangzhou Reach**") is principally engaged in providing certain legacy flexible staffing services in the PRC. It was established in the PRC on February 13, 2001 with an initial registered capital of RMB600,000. Since its establishment, Guangzhou Reach has undergone a series of equity transfers. As of the commencement of the Track Record Period, Guangzhou Reach became held as to 60% and 40% by Manpower China and Mr. Yang Xihong, respectively, and its registered capital was RMB18,000,000.

The legacy flexible staffing services provided by Guangzhou Reach has been principally focused on traditional varieties of HR services, with its brand positioned at providing services involving workers engaged in general manual work requiring primarily basic skills such as product line workers and courier (for example meal delivery crew). The business of our Group has diversified service offerings which include, among others, the provision (aided by our technological capabilities) of flexible staffing services involving individuals with specific or professional skills, such as workers engaging in information technology or engineering. Our brand is positioned at providing services involving more skillful workers and at the same time aiming to be a one-stop provider of comprehensive workforce solutions. Given the above, the services and brand positioning of Guangzhou Reach and our Group are materially different. Having considered the differences in focus between Guangzhou Reach and our Group, it was decided that the services and brand positioning of Guangzhou Reach were not in line with those of our Group and not compatible with our current development strategy.

As such, our Directors decided to dispose of a portion of our interest in Guangzhou Reach as a result of which we no longer own a majority interest in Guangzhou Reach. An equity transfer agreement dated December 2, 2018 was entered into among Manpower China, Mr. Yang Xihong ("**Mr. Yang**") and Guangzhou Reach, pursuant to which Manpower China agreed to transfer 40.5% equity interest in Guangzhou Reach held by it to Mr. Yang at a consideration of RMB20,250,000, which was determined with reference to the net asset value of Guangzhou Reach and its subsidiaries at the time of the transfer. The decision to dispose to Mr. Yang as opposed to other parties was made due to the reason that Mr. Yang was both a fellow shareholder and the founder of Guangzhou Reach. Such identity coupled with his familiarity with the business of Guangzhou Reach made Mr. Yang the preferred choice of buyer to Manpower China for such disposal, as it was considered that he would be incentivized to further improve the performance of Guangzhou Reach. Our Company considers that such disposal has been in the best interests of our Shareholders as a whole for the reason that, apart from the differences in brand positioning and business focus as set out above, despite being profit-making, the profit of Guangzhou Reach had been decreasing during the Track Record Period (as detailed below) and there is uncertainty as to whether and when such decreasing trend in profit will discontinue, and the Company would like to dedicate its resources to its existing businesses.

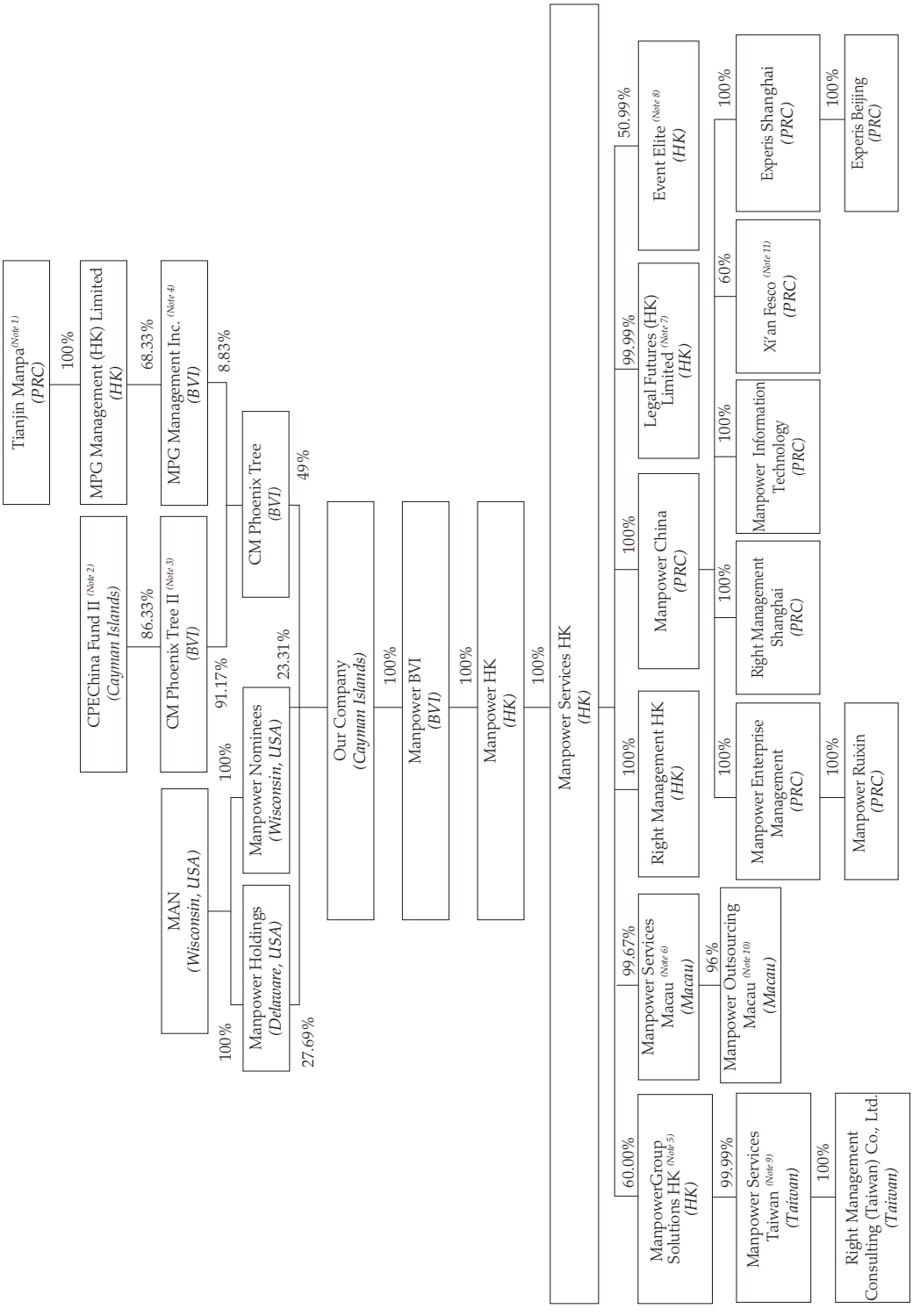
As confirmed by our PRC Legal Advisors, the disposal has been conducted in compliance with applicable laws and regulations in the PRC and have been properly and legally completed and duly registered with the relevant authority in the PRC on December 12, 2018. The consideration of the above transfer of equity interest will be settled in three equal instalments on March 31, 2019, March 31, 2020 and March 31, 2021. The payment schedule (in particular payment by instalments) of the consideration by Mr. Yang had been agreed between the parties having regard to the decreasing profit of Guangzhou Reach during the Track Record Period, the related impact on the cash flow of Guangzhou Reach as well as its needs for funding to support and improve its ongoing business. Considering such factors and Manpower China's continued shareholding interest of 19.5% in Guangzhou Reach, which our Company considers to be a long term strategic investment, our Company is of the view that the payment arrangements, despite being in instalments, are in the best interests of our Shareholders. Allowing Mr. Yang to pay by instalments would enable him to make additional capital injections in cash to Guangzhou Reach, thus allowing it a healthier level of cashflow for the continued operation and development of its business which our Group could potentially benefit from in the long run.

After such disposal, Guangzhou Reach became and is now held as to 19.5% and 80.5% by Manpower China and Mr. Yang, respectively and is no longer our subsidiary, and our Group has since continued to focus on our existing businesses. Due solely to his directorship in Guangzhou Reach immediately prior to the disposal, Mr. Yang is a connected person of the Company. Pursuant to the above transfer, a shareholders' agreement dated December 2, 2018 was entered into among Manpower China, Mr. Yang and Guangzhou Reach in relation to, among others, allocation of obligations between the shareholders in relation to matters of Guangzhou Reach, the composition of the board and supervisors and the related nomination rights, as well as certain other matters in relation to Guangzhou Reach.

For each of the two years ended December 31, 2017 and the period from January 1, 2018 to December 12, 2018, the profit contributed by Guangzhou Reach and its subsidiaries was approximately RMB7.2 million, RMB5.0 million and RMB4.8 million, representing approximately 9.4%, 5.3% and 4.2% of the profit of our Group for the years ended December 31, 2016, 2017 and 2018, respectively. As such, our Directors consider that such disposal did not have any material impact to the financial position of our Group.

CORPORATE STRUCTURE BEFORE THE REORGANIZATION

The following chart sets forth the shareholding structure of our Group before the Reorganization:



Notes:

(1) Tianjin Manpa Business Consulting Limited Partnership (天津曼帕商務諮詢合夥企業(有限合夥)) ("**Tianjin Manpa**") is a limited partnership formed in the PRC on July 19, 2016 for the purpose of indirectly holding interests in the Company for certain then senior employees of the Group pursuant to an employee ownership opportunity offered by CM Phoenix Tree ("**Employee Ownership Plan**"). As of the Latest Practicable Date, Tianjin Manpa had one general partner and 26 limited partners. The general partner of Tianjin Manpa, Shanghai Manpa Business Consulting Limited (上海曼帕商務諮詢有限公司) ("**Shanghai Manpa**"), is a limited liability company established in the PRC and held as to 99% by Mr. Yuan Jianhua, our executive Director and as to 1% by Mr. Cui Zhihui, a director of Manpower China and Event Elite, our chief finance officer and a member of our senior management, on trust for Mr. Yuan Jianhua. Apart from the following limited partners who are connected persons of our Company, all other limited partners of Tianjin Manpa are independent third parties:

i. Mr. Cui Zhihui, a director of Manpower China and Event Elite;

ii. Mr. Zhang Jinrong, a director of Manpower China;

iii. Mr. Qian Yuan, the director of Manpower Information Technology and Right Management Shanghai;

iv. Ms. Xu Yiping, the director of Manpower Enterprise Management; and

v. Ms. Sun Qian, a director of Experis Shanghai.

(2) The general partner of CPEChina Fund II is CITIC PE Associates II, an exempted limited partnership registered under the laws of the Cayman Islands whose general partner is CITIC PE Funds II, an exempted company incorporated in the Cayman Islands with limited liability. CITIC PE Funds II is wholly owned by CITICPE Holdings Limited, which is owned as to 35% by CLSA Global Investments Management Limited. CLSA Global Investments Management Limited is wholly owned by CLSA, B.V., which is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities Company Limited, a company listed on both the Stock Exchange and the Shanghai Stock Exchange.

(3) As of the Latest Practicable Date, the remaining approximately 13.67% of equity interest in CM Phoenix Tree II was held by CPEChina Fund IIA, L.P., an exempted limited partnership registered under the laws of Cayman Islands.

(4) As of the Latest Practicable Date, the remaining approximately 31.67% equity interest in MPG Management Inc. was held by 15 senior employees of our Group in Hong Kong and Taiwan pursuant to the Employee Ownership Plan. Except for Ms. Chui Yuk Shan Lancy, who is one of the directors of Manpower Services Taiwan and hence a connected person of our Company, all other employee shareholders are independent third parties.

(5) As of the Latest Practicable Date, the remaining approximately 40.00% equity interest in ManpowerGroup Solutions HK was held by Manpower Holdings.

(6) Immediately before the Reorganization, the remaining approximately 0.33% of equity interest in Manpower Services Macau was held by Ms. Chui Yuk Shan Lancy, a connected person of our Company, on trust for Manpower Services HK.

(7) The remaining 0.01% equity interest of Legal Futures (HK) Limited, represented one share in Legal Futures (HK) Limited, was held by Mr. Cui Zhihui to satisfy a requirement under the then articles of association of Legal Futures (HK) Limited to have at least two shareholders.

(8) As of the Latest Practicable Date, the remaining approximately 49.01% equity interest in Event Elite is held as to approximately 29.41% and 19.60% by Mr. Lee Chun Man and Mr. Yeung Cheung Sang, both directors of Event Elite and connected persons of our Company, respectively.

(9) As of the Latest Practicable Date, the remaining approximately 0.01% of equity interest in Manpower Services Taiwan was held in aggregate by the Initial Group Shareholders, Manpower US Inc. and Manpower CIS Inc., of which Manpower Nominees, Manpower US Inc. and Manpower CIS Inc. are the direct wholly-owned subsidiaries of MAN.

(10) Immediately before the Reorganization, the remaining 4% of equity interest in Manpower Outsourcing Macau was held by Ms. Chui Yuk Shan Lancy, a connected person of our Company, on trust for Manpower Services HK.

(11) As of the Latest Practicable Date, the remaining 40% of equity interest in Xi'an Fesco was held as to 16%, 11%, 10%, 2% and 1% by five independent third party shareholders (by virtue of Xi'an Fesco being an insignificant subsidiary of our Company as defined under the Listing Rules), respectively.

REORGANIZATION

Acquisition by Right Management HK of minority interests in Manpower Services Macau and Manpower Outsourcing Macau

Prior to the Reorganization, certain minority equity interests in Manpower Services Macau and Manpower Outsourcing Macau were held by Ms. Chui Yuk Shan Lancy ("**Ms. Chui**"), on trust for Manpower Services HK. Such trust arrangement was made due to the requirement under the Commercial Code of Macau that a limited company shall have at least two shareholders; otherwise the limited company shall be named as a sole shareholder company under which the shareholder may undertake unlimited liability if there is no clear current account between the company and its sole shareholder. As part of the Reorganization and for the purpose of consolidating our Group's shareholding interests in Manpower Services Macau and Manpower Outsourcing Macau, such trust interests were transferred from Ms. Chui to Right Management HK, details of which are set out below:

(1) On December 3, 2018, Ms. Chui transferred one share, representing approximately 0.33% of the equity interest in Manpower Services Macau to Right Management HK at a nominal consideration of MOP1, which was settled on January 15, 2019; and

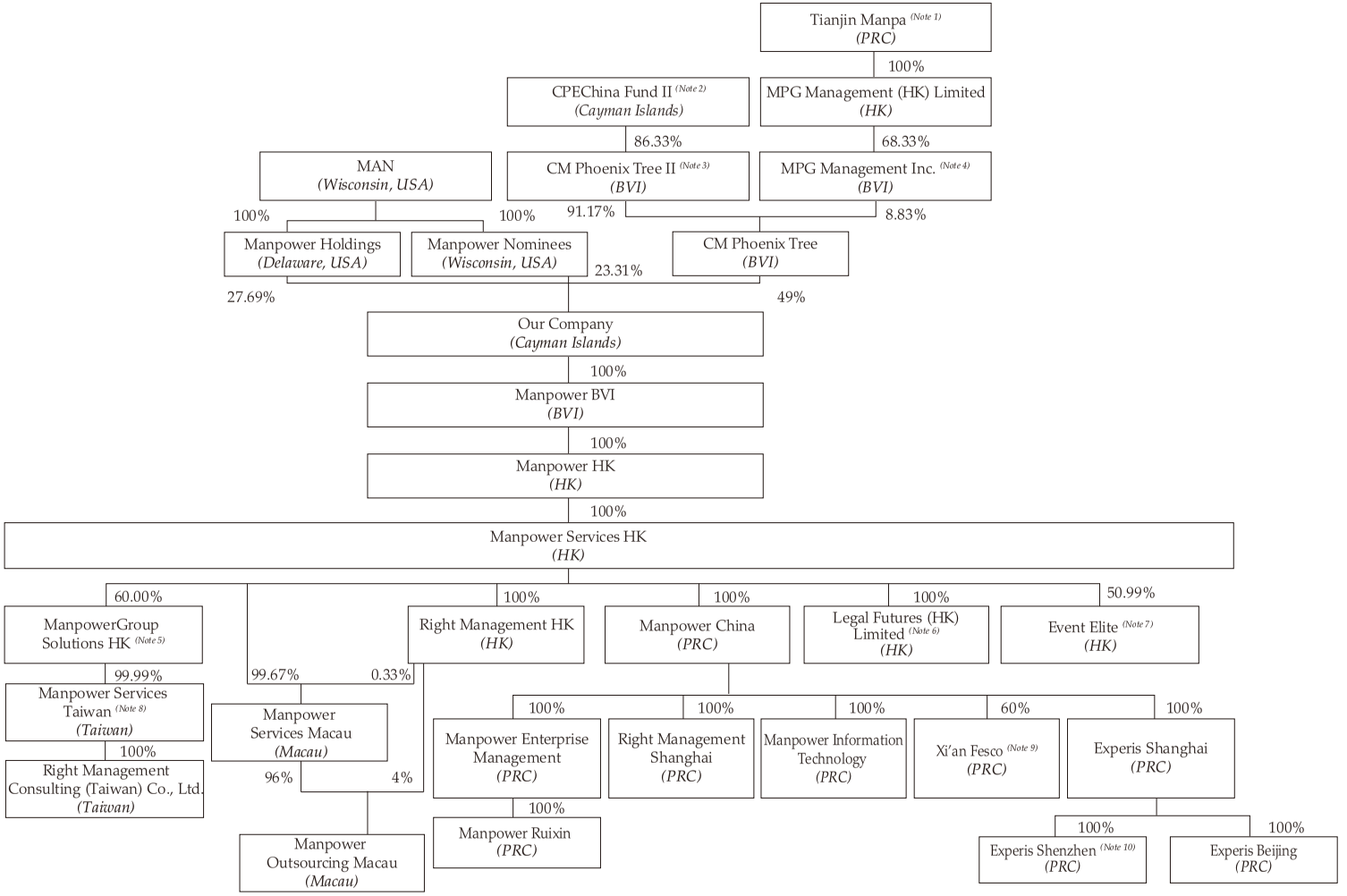
(2) On December 3, 2018, Ms. Chui transferred one share, representing 4% of the equity interest in Manpower Outsourcing Macau to Right Management HK at a nominal consideration of MOP1, which was settled on January 15, 2019.

Upon completion of the above equity transfers, Manpower Services Macau and Manpower Outsourcing Macau became legally owned as to 100% by us.

As confirmed by our Macau Legal Advisors, the above equity transfers have been conducted in compliance with applicable laws and regulations in Macau and have been properly and legally completed and settled and duly registered with the relevant authority in Macau.

CORPORATE STRUCTURE AFTER THE REORGANIZATION AND IMMEDIATELY BEFORE COMPLETION OF THE GLOBAL OFFERING AND THE CAPITALIZATION ISSUE

The following chart sets forth the shareholding structure of our Group after the Reorganization and immediately before completion of the Global Offering and the Capitalization Issue.



Notes:

(1) Tianjin Manpa is a limited partnership formed in the PRC on July 19, 2016 for the purpose of indirectly holding interests in the Company for certain then senior employees of the Group pursuant to the Employee Ownership Plan. As of the Latest Practicable Date, Tianjin Manpa had one general partner and 26 limited partners. The general partner of Tianjin Manpa is Shanghai Manpa, which is a limited liability company established in the PRC and held as to 99% by Mr. Yuan Jianhua, our executive Director and as to 1% by Mr. Cui Zhihui, a director of Manpower China and Event Elite, our chief finance officer and a member of our senior management, on trust for Mr. Yuan Jianhua. Apart from the following limited partners who are connected persons of our Company, all other limited partners of Tianjin Manpa are independent third parties:

i. Mr. Cui Zhihui, a director of Manpower China and Event Elite;

ii. Mr. Zhang Jinrong, a director of Manpower China;

iii. Mr. Qian Yuan, the director of Manpower Information Technology and Right Management Shanghai;

iv. Ms. Xu Yiping, the director of Manpower Enterprise Management; and

v. Ms. Sun Qian, a director of Experis Shanghai.

(2) The general partner of CPEChina Fund II is CITIC PE Associates II, an exempted limited partnership registered under the laws of the Cayman Islands whose general partner is CITIC PE Funds II, an exempted company incorporated in the Cayman Islands with limited liability. CITIC PE Funds II is wholly owned by CITICPE Holdings Limited, which is owned as to 35% by CLSA Global Investments Management Limited. CLSA Global Investments Management Limited is wholly owned by CLSA, B.V., which is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities Company Limited, a company listed on both the Stock Exchange and the Shanghai Stock Exchange.

(3) As of the Latest Practicable Date, the remaining approximately 13.67% of equity interest in CM Phoenix Tree II was held by CPEChina Fund IIA, L.P., an exempted limited partnership registered under the laws of Cayman Islands.

(4) As of the Latest Practicable Date, the remaining approximately 31.67% equity interest in MPG Management Inc. was held by 15 senior employees of our Group in Hong Kong and Taiwan pursuant to the Employee Ownership Plan. Except for Ms. Chui Yuk Shan Lancy, who is one of the directors of Manpower Services Taiwan and hence a connected person of our Company, all other employee shareholders are independent third parties.

(5) As of the Latest Practicable Date, the remaining approximately 40.00% equity interest in ManpowerGroup Solutions HK was held by Manpower Holdings.

(6) On January 8, 2019, the requirement for Legal Futures (HK) Limited to have at least two shareholders under its articles of association was removed. On January 10, 2019, the one share in Legal Futures (HK) Limited held by Mr. Cui Zhihui was transferred to Manpower Services HK at nil consideration. As a result, Legal Future (HK) Limited become wholly owned by Manpower Services HK.

(7) As of the Latest Practicable Date, the remaining approximately 49.01% equity interest in Event Elite is held as to approximately 29.41% and 19.60% by Mr. Lee Chun Man and Mr. Yeung Cheung Sang, both directors of Event Elite and connected persons of our Company, respectively.

(8) As of the Latest Practicable Date, the remaining approximately 0.01% of equity interest in Manpower Services Taiwan was held in aggregate by the Initial Group Shareholders, Manpower US Inc. and Manpower CIS Inc., of which Manpower Nominees, Manpower US Inc. and Manpower CIS Inc. are the direct wholly-owned subsidiaries of MAN.

(9) As of the Latest Practicable Date, the remaining 40.00% equity interest of Xi'an Fesco was held as to 16%, 11%, 10%, 2% and 1% by five independent third party shareholders (by virtue of Xi'an Fesco being an insignificant subsidiary of our Company as defined under the Listing Rules), respectively.

(10) Experis Shenzhen was established in the PRC on May 8, 2019 for the Group's normal business needs.

INCREASE OF AUTHORIZED SHARE CAPITAL

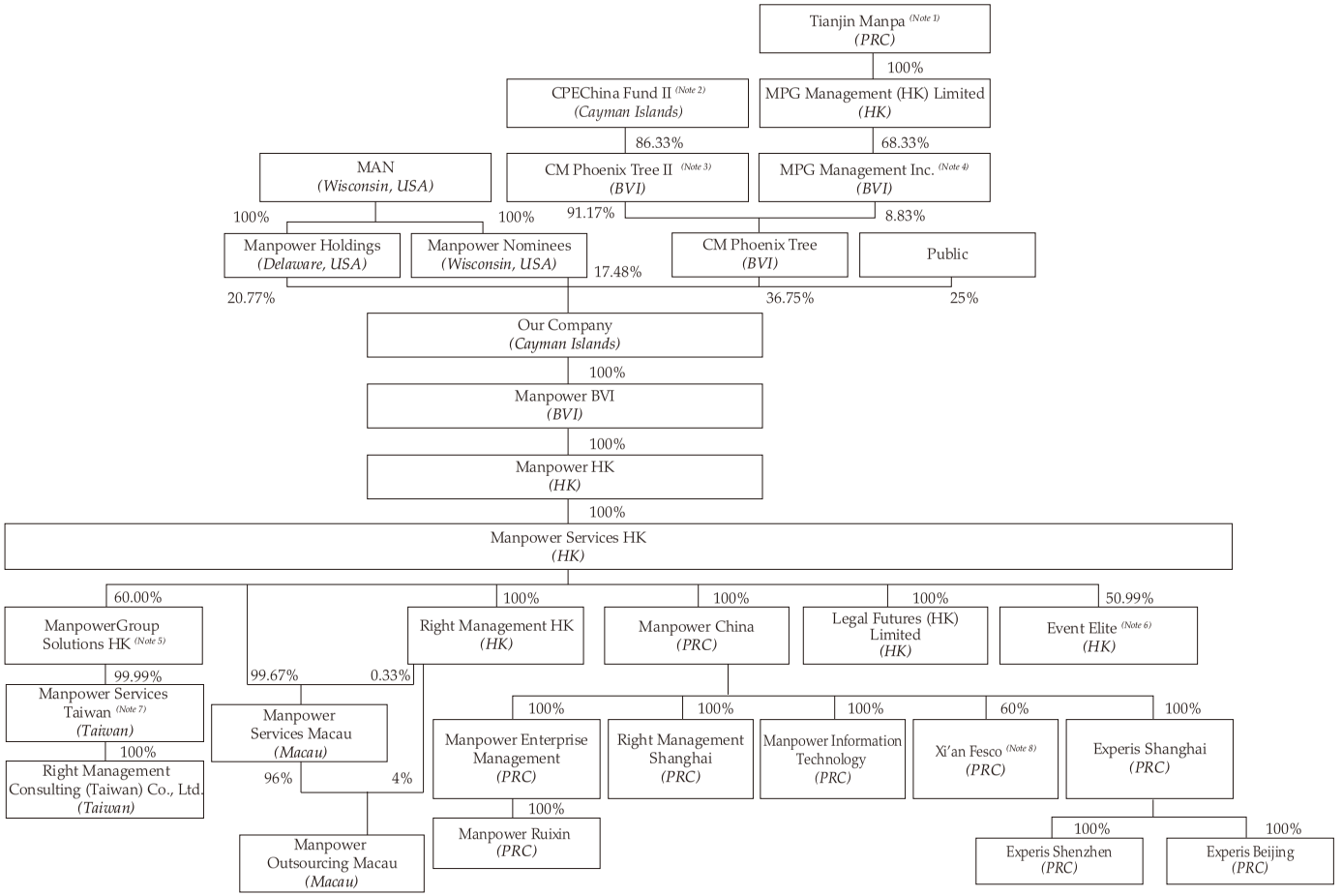
On June 5, 2019, our Company increased its authorized share capital from HK$380,000 divided into 38,000,000 Shares of HK$0.01 each to HK$15,200,000 divided into 1,520,000,000 Shares of HK$0.01 each by the creation of an additional 1,482,000,000 Shares of HK$0.01 each.

CAPITALIZATION ISSUE

Conditional upon the crediting of our Company's share premium account as a result of the issue of the Offer Shares pursuant to the Global Offering, our Directors are authorized to capitalise an amount of HK$1,350,979.2 standing to the credit of the share premium account of our Company by applying such sum towards the paying up in full at par a total of 135,097,920 Shares for allotment and issue to our Shareholders as of June 5, 2019.

CORPORATE STRUCTURE IMMEDIATELY AFTER COMPLETION OF THE GLOBAL OFFERING AND THE CAPITALIZATION ISSUE

The following chart sets forth the shareholder holding structure of our Group immediately after completion of the Global Offering and the Capitalization Issue (assuming the Over-allotment Option or any options which may be granted under the Share Option Scheme are not exercised).



Notes:

(1) Tianjin Manpa is a limited partnership formed in the PRC on July 19, 2016 for the purpose of indirectly holding interests in the Company for certain then senior employees of the Group pursuant to the Employee Ownership Plan. As of the Latest Practicable Date, Tianjin Manpa had one general partner and 26 limited partners. The general partner of Tianjin Manpa is Shanghai Manpa, which is a limited liability company established in the PRC and held as to 99% by Mr. Yuan Jianhua, our executive Director and as to 1% by Mr. Cui Zhihui, a director of Manpower China and Event Elite, our chief finance officer and a member of our senior management, on trust for Mr. Yuan Jianhua. Apart from the following limited partners who are connected persons of our Company, all other limited partners of Tianjin Manpa are independent third parties:

i. Mr. Cui Zhihui, a director of Manpower China and Event Elite;

ii. Mr. Zhang Jinrong, a director of Manpower China;

iii. Mr. Qian Yuan, the director of Manpower Information Technology and Right Management Shanghai;

iv. Ms. Xu Yiping, the director of Manpower Enterprise Management; and

v. Ms. Sun Qian, a director of Experis Shanghai.

(2) The general partner of CPEChina Fund II is CITIC PE Associates II, an exempted limited partnership registered under the laws of the Cayman Islands whose general partner is CITIC PE Funds II, an exempted company incorporated in the Cayman Islands with limited liability. CITIC PE Funds II is wholly owned by CITICPE Holdings Limited, which is owned as to 35% by CLSA Global Investments Management Limited. CLSA Global Investments Management Limited is wholly owned by CLSA, B.V., which is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities Company Limited, a company listed on both the Stock Exchange and the Shanghai Stock Exchange.

(3) As of the Latest Practicable Date, the remaining approximately 13.67% of equity interest in CM Phoenix Tree II was held by CPEChina Fund IIA, L.P., an exempted limited partnership registered under the laws of Cayman Islands.

(4) As of the Latest Practicable Date, the remaining approximately 31.67% equity interest in MPG Management Inc. was held by 15 senior employees of our Group in Hong Kong and Taiwan pursuant to the Employee Ownership Plan. Except for Ms. Chui Yuk Shan Lancy, who is one of the directors of Manpower Services Taiwan and hence a connected person of our Company, all other employee shareholders are independent third parties.

(5) As of the Latest Practicable Date, the remaining approximately 40.00% equity interest in ManpowerGroup Solutions HK was held by Manpower Holdings.

(6) As of the Latest Practicable Date, the remaining approximately 49.01% equity interest in Event Elite is held as to approximately 29.41% and 19.60% by Mr. Lee Chun Man and Mr. Yeung Cheung Sang, both directors of Event Elite and connected persons of our Company, respectively.

(7) As of the Latest Practicable Date, the remaining approximately 0.01% of equity interest in Manpower Services Taiwan was held in aggregate by the Initial Group Shareholders, Manpower US Inc. and Manpower CIS Inc., of which Manpower Nominees, Manpower US Inc. and Manpower CIS Inc. are the direct wholly-owned subsidiaries of MAN.

(8) As of the Latest Practicable Date, the remaining 40% equity interest of Xi'an Fesco was held as to 16%, 11%, 10%, 2% and 1% by five independent third party shareholders (by virtue of Xi'an Fesco being an insignificant subsidiary of our Company as defined under the Listing Rules), respectively.

PRC REGULATORY REQUIREMENTS

The Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors in the PRC

According to the Provisions regarding Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者並購境內企業的規定) (the "**Circular No.10**") jointly issued by MOFCOM, SASAC, SAT, CSRC, SAIC and SAFE on August 8, 2006 and effective as of September 8, 2006 and amended on June 22, 2009, where a domestic company, enterprise or natural person intends to acquire its or his/her related domestic company in the name of an offshore company which it or he/she lawfully established or controls such that it becomes a foreign invested enterprise, the acquisition shall be subject to the examination and approval of MOFCOM; and where a domestic company or natural person holds an equity interest in a domestic company through an offshore special purpose company, any overseas listing of that special purpose company shall be subject to approval by CSRC.

As advised by our PRC Legal Advisors, on the basis that Manpower China is a foreign invested enterprise and the remaining PRC subsidiaries of our Group are domestic companies reinvested by a foreign invested enterprise and our Company is not an offshore company directly established or indirectly controlled by PRC individuals, Circular No. 10 is not applicable to our PRC subsidiaries and it is not necessary to obtain approval from the MOFCOM, CSRC or other regulatory authorities in the PRC in relation to the Listing.

SAFE Registration in the PRC

Pursuant to the Notice of the State Administration of Foreign Exchange on the Administration of Foreign Exchange Involved in Overseas Investment and Financing and Return on Investment Conducted by PRC Residents via Special-Purpose Companies (國家外匯管理局關於境內居民通過特殊目的公司境外投資融資及返程投資外匯管理有關問題的通知) (the "**SAFE Circular No.37**") issued by SAFE on July 4, 2014, where the PRC individual residents conduct investment in offshore special purpose vehicle with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments.

As advised by our PRC Legal Advisors, our Shareholders are offshore listed companies, offshore institutional investors or offshore entities established by PRC enterprises by way of offshore investments through applicable legal procedures. Our Company is not an offshore company directly established or indirectly controlled by PRC individual residents. Therefore, our Company is not an offshore special purpose vehicle under SAFE Circular No.37, and therefore, SAFE Circular No.37 is not applicable to our Company.

OUR MISSION

Our mission is to unleash the power of the human potential for progress.

OVERVIEW

We are the largest workforce solutions provider in the Greater China region by revenue in 2018, according to CIC. We provide comprehensive workforce solutions and other HR services to clients located in each market in Greater China, namely, the PRC, Hong Kong, Macau and Taiwan. Our largest stakeholder, ManpowerGroup Inc., is a New York Stock Exchange-listed world leader in workforce solutions and services. Based in Wisconsin, United States, MAN is a Fortune 500 company with a long operating history of over 70 years and a global network of nearly 2,600 offices in 80 countries and territories in the Americas, Europe and Asia Pacific Middle East, according to its 2018 annual report. MAN first entered the Greater China region in 1997, when it commenced operations in Hong Kong and Taiwan. It subsequently entered mainland China in 2003 and Macau in 2007. Today, we serve a broad range of corporate and government clients in over 130 cities in the Greater China markets, operating more than 20 offices as of December 31, 2018.

Leveraging MAN's global reputation, we have, over two decades of dedicated work, developed deep connections with both multinational clients and local clients doing business in the Greater China region and achieved prominent brand recognition. As of December 31, 2018, we had served over 22,500 clients, including over 260 Fortune 500 companies and prominent local public and private employers, such as Lenovo and certain other leading Chinese technology firms. As a testament to our standing in the industry, we were named the Best Comprehensive HR Service Provider in Greater China (Foreign Company/Joint Venture) (大中華區最佳綜合人力資源服務機構(外資／合資)) by HRoot in 2018. We received the Asia-Pacific Human Resources Service Leading Enterprise Award (亞太人力資源服務領軍企業獎) from Asia Pacific Human Resources Development and Service Fair Organizing Committee in 2015, 2016 and 2018. We were also named the Industry Most Influential Brand (行業影響力品牌) by China Finance Summit in 2016, 2017 and 2018.

We firmly believe that people are central to the success of all businesses, and we are committed to helping our clients find the right people to join their workforce. By offering a comprehensive range of workforce solutions and other HR services, we aim to be a one-stop provider, to clients across industry sectors at varying stages of development, of HR services that are tailored to their specific business needs. We provide the following HR services in each of the PRC, Hong Kong, Macau and Taiwan:

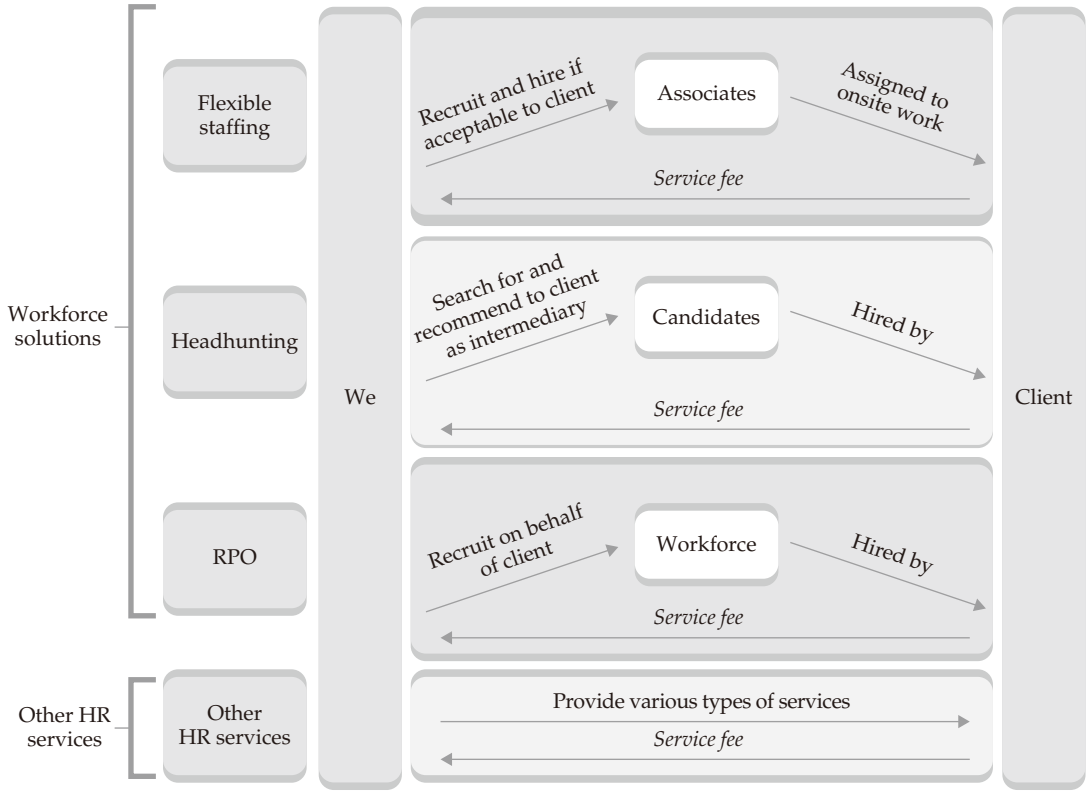
- *Flexible staffing*. For clients who wish to control their own headcount, or only require workers for a limited time or a specific project, we provide contingent workers (to whom we refer as "associates") who are employed by us but work on client premises typically under client instruction and supervision during the term of their deployment. We pay the associates salaries and statutory and other benefits and charge clients a fee to cover such labor costs, plus a premium, or "markup," as compensation for our service. Clients may choose to hire our associates on a permanent basis, in which case we typically receive an additional fee. According to CIC, we are the second-largest provider of flexible staffing services in the PRC by revenue in 2018.

- *Headhunting.* We use our extensive human and technical resources and expertise to search for, identify and recommend potential candidates suitable for client job vacancies. We charge a fee upon a successful placement. According to CIC, we are the third largest headhunting firm in Greater China by revenue in 2018. We were named "The Best HR Hunting Provider in Greater China (Foreign Company/Joint Venture) (大中華區最佳人才尋獵服務機構(外資／合資))" by HRoot in 2017.

- *Recruitment process outsourcing (RPO).* Some of our clients are large companies who have a significant volume of hiring needs and wish to outsource the hiring process to a professional recruiter. For this type of clients, we step in to manage the recruiting and on-boarding process for them. We charge a management fee and a recruiting fee for this assistance. We were named a Top 10 Recruitment Process Outsourcing Service Provider in China in 2017, endorsed by the China Recruiting & Staffing Solution Provider Value Awards. We were also named an "Excellent RPO Service Provider (RPO 優秀供應商)" by Sohu in 2016 and "The Best HR Outsourcing Provider in Greater China (Foreign Company) (大中華區最佳人力資源外包機構(外資))" by HRoot in 2016.

- *Other HR services.* In addition, we provide (i) HR consultancy services to clients who need assistance in leadership development, career management and talent assessment; (ii) training and development services mainly focused on general management skills, specialized core skills and workplace English; (iii) career transition, primarily outplacement, services; and (iv) other services, including government solutions and payroll services. We were named "The Best HR Management Coach Provider in Greater China (大中華區最佳管理教練服務機構)" by HRoot in 2017 and "The Best Training Organization of the Year (年度最佳培訓機構)" by TopHR in 2016.

The diagram below illustrates our services and how the parties are generally involved in the service processes:



We are able to connect our clients who have workforce needs with a ready pool of quality talent. We have large and growing talent databases, which contained in aggregate over four million candidates as of the Latest Practicable Date. With our talent databases, we are capable of screening and selecting candidates with suitable skill-sets to meet long-term, short-term and *ad hoc* demands of our clients.

In managing our operations, we have adopted an entrepreneurial partnership system to encourage our partners to take the lead in originating and executing business and fulfilling various administrative functions. Our "partners" are our salaried senior employees and are not partners in a legal partnership. They make executive decisions and enjoy a high level of autonomy. We believe our partners are key to our growth and productivity. As of December 31, 2018, we had over 210 partners.

Operating under a capital-efficient model, we achieved strong financial performance during the Track Record Period. In the years ended December 31, 2016, 2017 and 2018, our revenue from continuing operations was RMB1,624.1 million, RMB2,006.9 million and RMB2,491.5 million, respectively. Our net profit from continuing operations increased by 28.5% from RMB69.7 million for the year ended December 31, 2016 to RMB89.5 million for the year ended December 31, 2017, and further by 20.9% to RMB108.3 million for the year ended December 31, 2018. For the years ended December 31, 2017 and 2018, our return on equity was 13.4% and 15.4%, respectively.

COMPETITIVE STRENGTHS

Well recognized global brands highly trusted by multinational and local clients

Our largest stakeholder, MAN, is a NYSE-listed world leader in workforce solutions and services. Based in Wisconsin, United States, MAN is a Fortune 500 company with a long operating history of over 70 years and a global network of nearly 2,600 offices in 80 countries and territories in the Americas, Europe and Asia Pacific Middle East, according to its 2018 annual report. MAN offers a wide range of workforce solutions and services under a family of brands, such as "Manpower" and "Experis," connecting people to quality employment opportunities. It also has a deep heritage of integrity, having been named to the Ethisphere Institute's list of the World's Most Ethical Companies for eight consecutive years from 2011 to 2018 and one of Fortune Magazine's most admired companies for 10 consecutive years from 2009 to 2018.

Since our inception, we have leveraged MAN's global brands in building our business as we offer multinational clients integrated workforce solutions in the Greater China region. At the same time, we have also developed deep connections with local clients and the local Chinese-language brands we use, such as "万宝盛华," have enjoyed wide recognition in Greater China. Together, we have established market leadership. According to CIC, we are the largest workforce solutions provider in the Greater China region by revenue in 2018, accounting for a 1.74% share of a highly fragmented market. Specifically, according to CIC, we are the third-largest headhunting firm and the second-largest flexible staffing service provider in the PRC, both in terms of revenue in 2018. We have prominent brand recognition in the geographic markets we serve, as underscored by a number of recent awards. For instance, we were named the Best Comprehensive HR Service Provider in Greater China (Foreign Company/Joint Venture) (大中華區最佳綜合人力資源服務機構(外資／合資)) by HRoot in 2018. We received the Asia-Pacific Human Resources Service Leading Enterprise Award (亞太人力資源服務領軍企業獎) from Asia Pacific Human Resources Development and Service Fair Organizing Committee in 2015, 2016 and 2018. We were also named the Industry Most Influential Brand (行業影響力品牌) by China Finance Summit in 2016, 2017 and 2018. We were recognized as a National Human Resource Integrity Services Model by the Ministry of Human Resources and Social Security of the PRC in 2015. We also won the 71st Gold Award – Excellent Foreign Company (金商獎優良外商公司) awarded by the General Chamber of Commerce of Taiwan in 2017 and the Metro Award for Services Excellence – Excellent HR Management and Recruitment Services (都市傑出服務大獎 – 傑出人才管理及招聘服務大獎) awarded by Hong Kong newspaper Metro Daily in 2017.

Benefiting from the high quality of our services and the wide acceptance of the MAN's global brands in the industry, we believe we are able to command a premium in pricing our workforce solution services and earn client loyalty. According to CIC, due to our high service quality, our average service fee is above the average level in the workforce solutions market of the Greater China region. During the Track Record Period, over 60% of our clients had had at least two years' business relationship with us. Moreover, we believe the well recognized global brands also help attract talent to our own organization, which we believe is key to our sustainable development.

Favorable position to capture shares in the fast-growing HR services market in the PRC

China's HR services market has experienced significant growth over the past few years, increasing from RMB191.2 billion in 2014 to RMB408.5 billion in 2018, representing a CAGR of 20.9%, according to CIC. As a subset of the HR services market, the size of China's workforce solutions market grew from RMB69.8 billion in 2014 to RMB162.8 billion in 2018, representing a CAGR of 23.6%, according to CIC. The upward trend is expected to continue in the years to come, primarily driven by growing competition for high-quality talent and increasing budgets allocated by corporations to HR services, according to CIC. In addition, the currently fragmented market is expected to consolidate. Large HR service providers like us are seeking to penetrate new markets and achieve economies of scale through both organic growth and mergers and acquisitions, according to CIC.

The implementation of favorable policies and regulatory changes are expected to fuel further growth of China's HR services market and industry consolidation. In October 2017, the PRC Ministry of Human Resource and Social Security issued the Action Plan on the Development of the Human Resource Services Market (人力資源服務業發展行動計劃), which created a blueprint for building a highly skilled national workforce and set a goal of achieving a HR services market of a size of RMB2 trillion by 2020. A number of other regulations and policies also encourage the private sector to create more jobs by launching new businesses or expanding business scales, aim to continue developing domestic and international trade to expand employment channels and aim to make the service industry, including HR services, a leading industry within the national economy. With such favorable policies, China's HR services market is expected to maintain fast growth in the foreseeable future, according to CIC.

As a large and competitive player in the HR services market and a leader in the fast-growing workforce solutions market, we believe we are well-positioned to capture the market trend, pursue merger and acquisition opportunities and further expand our business scale. HR service providers are subject to extensive regulation in Greater China, which we believe sets an entry barrier for new entrants. New entrants that aim to operate in multiple locations will face the financial burden of regulatory compliance. In particular, clients of the flexible staffing service may require a security deposit from service providers that can cover the compensation and benefit expenses of the contingent workers for a certain period. Service providers are also required to comply with local requirements with respect to social insurance and housing provident fund contribution for the contingent workers. We believe that such requirements effectively set a capital and liquidity threshold for service providers and favor larger players like us who have established a significant local presence and have sufficient working capital on hand.

Deep roots in local markets, long operating history and well-established client base

We are deeply rooted in our local markets. MAN first entered the Greater China region in 1997, when it commenced operations in Hong Kong and Taiwan, and quickly gained a firm foothold in these markets. It subsequently entered mainland China in 2003 and Macau in 2007. After two decades of development, we have developed into an integrated workforce solutions provider headquartered in Shanghai, China, with more than 20 offices as of December 31, 2018. We place emphasis on first-tier cities and the southeastern coastal areas of China, where the HR services market is more developed and accounts for a significant portion of the regional HR

services market, according to CIC. We have become the largest workforce solutions provider in the Greater China region in terms of revenue in 2018, according to CIC. We have established a significant presence in each market of the region. According to CIC, we are the second-largest workforce solutions provider in the PRC and the largest workforce solutions provider in each of Hong Kong, Macau and Taiwan, all by revenue for 2018.

Through decades of experience in providing HR services in the Greater China region, we have gained keen insight into the local HR services markets and accumulated in-depth know-how to provide tailored workforce solutions. Led by a locally trained and globally informed core management team who are well acclimated to the inner workings of the local markets, we understand the "pain points" of our clients and have proven methods to approach them. For example, we provided flexible staffing services to a major manufacturer in the technology sector in China who faced cost and quality pressure with respect to a precision manufacturing process. We identified the right associates for this assignment and provided them with necessary training. Our associates' performance exceeded the KPI targets set by the client, such as attrition, and was better than the performance of the client's own employees in various aspects, such as control and compliance. We also assisted PRC governmental agencies in their workforce management, including employment assessment, research on urgently-needed professionals, talent introduction and industrial park development. We are frequently sought after by national and regional media for our expert insight into the forces evolving the world of work.

We have a well-established client base. As of December 31, 2018, we had served over 22,500 clients, including over 260 Fortune 500 companies and prominent local public and private employers, such as Lenovo and certain other leading Chinese technology firms. Our clients are diversified in terms of industry and location, engaging in retail, Internet, technology and manufacturing, among others, in over 130 cities. We have established stable and long-term relationships with our key clients. As of December 31, 2018, our average length of relationship with our five largest clients was more than 11 years. We believe our clientele and the trust our clients place in our services are a great endorsement of our service quality and market position.

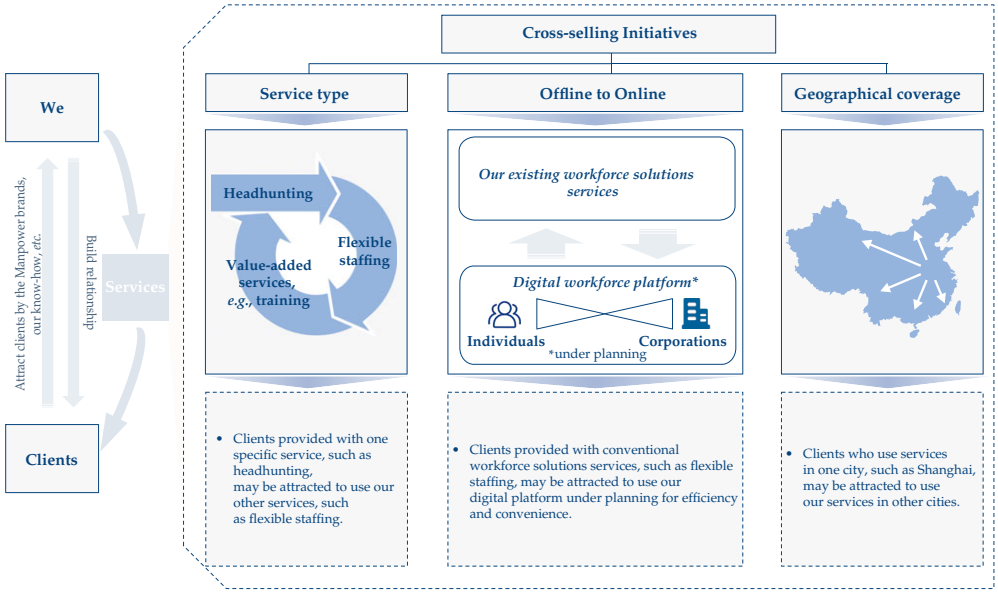
Diversified and complementary business lines providing clients with comprehensive workforce solutions

We are a frontrunner in providing comprehensive and integrated workforce solutions in the Greater China region, where most market participants are narrowly focused on one or two types of services, according to CIC. We have diversified service offerings and strive to be a one-stop provider of comprehensive workforce solutions for our clients. Our services, namely, flexible staffing, headhunting, RPO and other HR services, are aimed at complementing our clients' business models throughout the different stages of the relevant industry lifecycles. Our flexible staffing and headhunting services are popular among clients who are interested in expansion, and our RPO service appeals to clients who wish to improve cost-efficiency.

We serve clients in a broad spectrum of industries, such as retail, Internet, technology and manufacturing, among others. We cover all seniority levels and job functions, from senior management and executives to junior operation and supporting teams, from general corporate leadership to engineering, administrative, secretarial, manufacturing and other support positions. We provide full-lifecycle workforce solutions to our clients, covering, as our clients

may need, the sourcing of temporary and permanent personnel, outsourcing of the recruitment process, training and development, KPI formulation, talent assessment, career development and outplacement.

We have adopted a comprehensive customer management process to serve our clients' business. We assign a dedicated account manager to each key client to thoroughly understand its business in order to explore new opportunities. For example, our partners who focus on headhunting services may observe the needs of a client for new employee training during the course of their interaction with the client, and promote our training and development services. Partners who focus on HR consultancy services may also identify weaknesses in a client's internal training through their assessment, and recommend our training and development services. Through cross-selling, we are able to maximize the value generated from each client while lowering our client maintenance cost. The diagram below illustrates our cross-selling initiatives:



Because our services along the workforce lifecycle can be complementary, producing diversified business and revenue streams, we believe our business model is, to some extent, resistant to economic cycles and market volatility. When our clients seek business expansion, we help them source and recruit talent. When our clients face bottom-line pressure and seek to cut costs, we can offer them RPO and outplacement services. We believe our flexible staffing and HR consultancy businesses are also complementary to our other businesses, which can provide us with counter-cyclical revenue streams during economic downturns.

Unique expertise and capability to deliver tailored solutions to clients

We have accumulated extensive experience serving both multinational and local clients since we commenced operations in the Greater China region. Our partners have regular interactions with our clients and understand their business and HR-related needs. Based on this understanding, we are able to offer a comprehensive spectrum of services that covers each stage of their workforce process, from recruiting to outplacement.

We have large talent databases containing over four million candidates as of the Latest Practicable Date. Our databases continue to grow. We generally require our headhunting researchers to enter at least eight new candidate resumes per week. While we take pride in the size of our sophisticated talent databases, we also emphasize quality of the entries. We set up a salary threshold and require that each entry contain educational background, work experience, other capabilities and at least one piece of unique identifying information to avoid repetitive entries. Moreover, our consultants stay in touch with the candidates registered in our databases and refresh their information regularly, such that we can make effective and relevant searches and recommendations. Through these measures, we manage to keep our databases large and active. With our databases, we are capable of screening and selecting candidates with appropriate skill-sets to meet long-term, short-term and *ad hoc* demands of our clients. Moreover, leveraging the size and relevance of our candidate databases, we are able to find and deliver suitable candidates in an efficient manner, which in turn makes our clients willing to pay a premium for our service.

With our understanding of what kind of candidates and other services our clients need, we are able to provide tailored solutions to them. Through our ongoing interactions with a client and our extensive assessment of its workforce, we are able to design a customized solution to optimize its talent recruiting strategies, for example, by recommending an appropriate mix of permanent hiring and flexible staffing, and in the process optimize its workforce structure. Candidates recommended by us have relatively high retention rates and positive feedback. Moreover, we have developed a sophisticated IT system that can track the whole work process, from order- taking to execution and further to billing. Our system can also conduct all-round big data analyses and calculate various metrics to evaluate our performance and results.

Strong historical results of operations and cash flow

Operating under a capital-efficient model, which enables us to deliver good returns on assets, lower profit volatility and greater flexibility, we recorded positive financial performance during the Track Record Period. For the years ended December 31, 2016, 2017 and 2018, our revenue from continuing operations was RMB1,624.1 million, RMB2,006.9 million and RMB2,491.5 million, respectively, and our net profit from continuing operations was RMB69.7 million, RMB89.5 million and RMB108.3 million, respectively.

We also had strong cash flow during the Track Record Period. For the years ended December 31, 2016, 2017 and 2018, our net cash from operating activities was RMB68.2 million, RMB141.7 million and RMB78.5 million, respectively.

For the years ended December 31, 2017 and 2018, our return on assets was 9.2% and 10.0%, respectively, and our return on equity was 13.4% and 15.4%, respectively. As a result of the capital-efficient model, we are able to respond faster to changing demand, technology advancements, new market opportunities and supply chain disruptions.

Highly experienced and incentivized management team and an effective partnership system

We believe our success and future prospects depend on the quality of our people. Our management team has extensive experience in the HR service industry or similar industries and in the management of mid- to large-scale enterprises. Most of our core management team have been with us for more than 15 years. In particular, our chief executive officer, Mr. YUAN Jianhua, has 15 years' experience in the HR service industry in the Greater China region and Asia Pacific at large. We believe the stability and reliability of our core management has contributed the long-lasting relationships with clients.

We believe our experienced management team has contributed to our success and will further enhance our execution capabilities. Certain of our Group's employees had historically been offered by CM Phoenix Tree the opportunity to invest indirectly in our Company and become stakeholders in certain holding companies of CM Phoenix Tree. As of the Latest Practicable Date, around 40 senior employees were stakeholders of our holding companies pursuant to such opportunity. We believe that, when our senior employees have a stake in the long-term prospects of our Company, they are more incentivized to work together towards a shared future.

We deem our mid-level management a key force to power our continuous growth. We adopt a "partnership" system under which our partners take the lead in originating and executing business and fulfilling various administrative functions. We use the partnership system to give our team leaders the appropriate incentives to drive business and achieve our strategies. To retain and motivate our own workforce, we also offer professional skills development training catering to the job requirements. Through our effective management structure, we are able to cultivate an effective corporate culture that commands strong loyalty and motivation from our team members, which we believe in turn enhances our competitiveness, creativity and our execution capabilities.

BUSINESS STRATEGIES

We plan to continuously increase our revenue, further improve operating efficiency and profitability and enhance client experience through the following strategies:

Further expand our business scale and market share

We plan to continuously increase our revenue by expanding our business scale and market share. We believe people are key to our success and will seek further expansion by hiring more talent, including both partners and consultants. We will both cultivate partners from our own consultants and hire partners laterally from competing firms and other companies.

The workforce solutions market in Greater China is highly fragmented, and our market share is 1.74% by revenue in 2018, according to CIC. The HR services market in the first-tier cities and the southeastern coastal areas of China accounts for a significant portion of the regional HR services market, according to CIC. Although the first-tier cities and the southeastern coastal areas of China have been our strategic focus and we have established significant presence in such areas, we believe there is still great room for growth. Therefore, we plan to further expand our business in such markets. We plan to further expand our service

offerings in cities where we have operations, particularly flexible staffing, RPO and training and development. We aim to fully cover our clients' workforce related needs and further increase our value per client.

Moreover, we plan to grow with our clients and keep pace with them to enter new cities of focus. We plan to expand strategically into other areas with strong economic fundamentals and large HR service markets, such as second-tier cities of China and cities in Central China and Western China. We believe our extensive experience and proven track record will position us favorably for expansion of our regional presence and to be the regional player that can best serve our clients' needs. Through coordinated efforts, we have leveraged our strong relationships with key accounts to generate business opportunities. We intend to extend our geographical footprint along with our clients as they expand into new growth markets.

Seek strategic mergers and acquisitions

In addition to organic growth, we may also opportunistically seek strategic acquisitions and cooperation to further strengthen our leadership position in the workforce solutions market and increase our revenue. According to CIC, there is a trend for large market participants with stronger cash flows to consolidate smaller ones and increase their market shares. We plan to follow the market trend and seek further business expansion.

We plan to expand our geographic coverage through mergers and acquisitions. We may choose to acquire or partner with existing market participants. On the one hand, we may explore acquisitions that are complementary to our existing business lines, by evaluating local incumbents that provide services we currently do not offer with demonstrated strong market demand and potential. On the other hand, we may also consider targets that provide services we already offer but possess stronger technology capabilities, a more advanced management model or expertise in specific specializations, from which we could benefit in increasing market share and profitability in a relatively short period of time. For example, we acquired Event Elite in Hong Kong in 2017 which had a proven record in providing event organization outsourcing services in the territory following this strategy.

We may also acquire or invest in quality targets that provide services within our current service offerings, in particular flexible staffing. We may consider targets providing such services either in the cities in which we have operations, such as first-tier cities, or in those in which we currently do not have presence, such as certain second-tier cities and cities in Central and Western China. We believe that acquisition would allow us to (i) scale up along the trend of market consolidation, (ii) achieve higher profitability as we target professional flexible staffing service providers with higher margins, such as Event Elite, and (iii) achieve economies of scale in a cost-efficient manner as we target companies with strong industry knowledge and extensive local experience and create synergies with the target companies by using our existing client network and solid backend support.

We plan to prioritize targets focused on the staffing business and the "new economy" with a net profit of at least RMB10 million during the most recent fiscal year. Instead of acquiring 100% interests, we plan to primarily acquire controlling equity interests to achieve higher efficiency. As of the Latest Practicable Date, our Directors had not identified any suitable targets that fitted our criteria and would assist us in fulfilling our business strategies.

Invest in R&D and strengthen our technological capabilities

Digital workforce platforms will be of increasing application in the workforce solutions industry, according to CIC. The demand for digital workforce platforms, to a large extent, derives from the need for improving management efficiency and attracting skillful workforce for the ever-increasing flexible staffing services market. According to CIC, the size of the flexible staffing services market of the PRC increased from RMB23.2 billion in 2014 to RMB59.2 billion in 2018, representing a CAGR of 26.4%, much higher than that of the overall workforce solutions market of the PRC. The market share of the flexible staffing services market of the PRC increased from 33.2% in 2014 to 36.4% in 2018. According to CIC, it is projected that the size of the flexible staffing services market of the PRC will reach RMB177.1 billion with a market share of 42.0% in 2023. Therefore, there will be an increasing demand for digital workforce platforms in the foreseeable future.

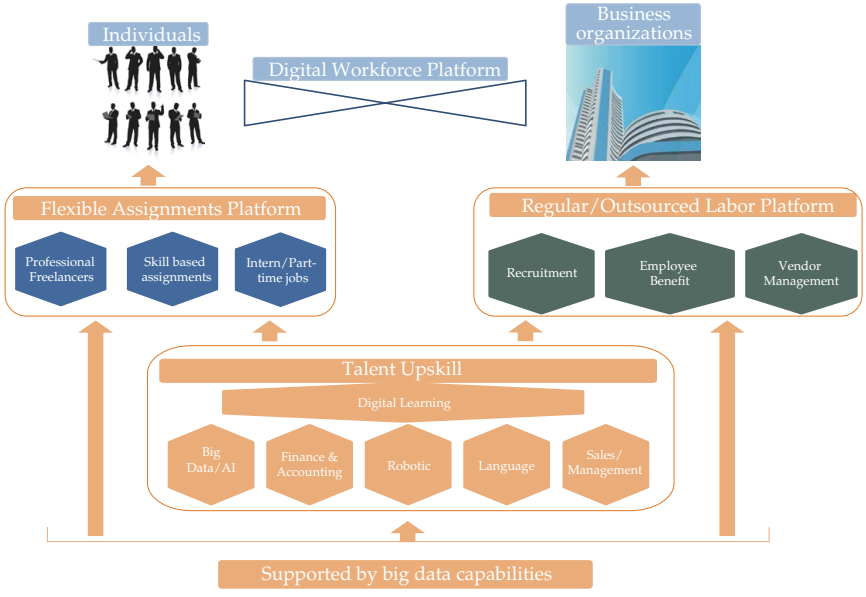
Leveraging our offline strengths, we plan to establish a digital workforce platform by integrating our existing online platforms and building new functions. Currently, our existing online platform, "woskill," offers multi-dimensional and diverse training and development programs to business organizations and individuals, helping users develop effective workplace skills, including (i) general management skills; (ii) specialized core skills for various positions, such as intelligent manufacturing; (iii) career development and (iv) industry-tailored workplace English, offered on our "WOWtalk" training platform. For further details of our "woskill" training platform, see the paragraphs headed "—Other HR Services—Training and Development Services" in this section. In the short term, we plan to continue to increase our revenue, further diversify our revenue streams and improve operating efficiency and client experience through the digital workforce platform. In the long run, we believe our digital workforce platform can help us target the next generation of talent who are more acclimated to the Internet and drive our sustainable growth. On top of our existing online training platform, we plan to develop a digital workforce platform offering a comprehensive range of services covering the following:

- *Flexible assignment.* First, we plan to further develop our flexible staffing system and grant access to designated clients, so that clients can be actively involved in the selecting and recruiting process and interact with the candidates easily. We also plan to explore establishing a more open platform for individuals who wish to engage in flexible work, including professional freelancers, such as robot engineers, programmers, teachers and designers, to find part-time employment or internship opportunities in the so-called "gig economy."

- *Talent upskill.* Second, we plan to offer more upskill trainings to our employees, associates and clients' employees. We plan to develop more training courses and programs on various subjects, such as big data, robotic, languages, sales, management as well as finance and accounting. We plan to make the training products available on our digital workforce platform. Moreover, we plan to leverage our expertise in the HR industry and experience in training and development services to provide clients with consultancy services on the prevailing and advanced training models and programs on the market. We may also cooperate with third party training and development service providers to further diversify and complement our service offerings.

- *Value-added services.* Third, we plan to provide value-added services to our associates on the digital workforce platform, such as holiday benefits, insurance, medical examinations and teambuilding programs. We may invite third-party vendors to the platform. Leveraging MAN's global brands and our client relationships, we aim to make our platform a "go-to" place for employers who wish to procure workforce-related services and products. We plan to provide such services and products to both clients' employees and associates placed by us. By providing these value-added services, we aim to (i) solidify the bond between our clients and their employees and improve their employee retention rates, and (ii) improve the satisfaction and retention rates of associates placed by us, thus reducing our recruiting costs, improving our operational efficiency and increasing our profit margins for flexible staffing business.

The diagram below illustrates the blueprint of our digital workforce platform:



We have accumulated large talent databases. We will further invest in R&D to enhance our data analytical capabilities with the net proceeds from the Global Offering so that we can better understand client needs and achieve more value from our databases. We believe enhanced big data capabilities will underpin each component of our digital workforce platform. Moreover, we will attract and retain suitable engineers by providing competitive compensation packages and career development opportunities. We may also invest in or cooperate with third parties with technological strength to enhance our own technological capabilities.

Further invest in brand building and marketing

The brands we use are important assets for us. As our services concern the business and prospects of our clients and the careers of our candidates, trust and integrity are of particular importance. Our brand image, and consequently the trust placed by clients and candidates in us, plays an important role in our business origination and development. We plan to continue to enhance the awareness of the brands we use by prioritizing the promotion of such brands among the next generation of workers through online marketing. We plan to cooperate with major online social networks and platforms to increase brand awareness. In particular, we plan to organize online events and promotions during e-commerce holidays, such as the Singles' Day. We will also engage more in-house marketing staff with profiles and skill-sets suitable for our focus on the next generation.

OUR SERVICES

Headquartered in Shanghai, we are a comprehensive workforce solutions provider serving the Greater China region since 1997. We help power the success of our corporate and government clients through comprehensive service offerings and in the process connect people to meaningful work across a wide range of industries and skills. We offer both clients and workers opportunities along the full cycle of employment, from flexible staffing, headhunting, training for advancement and outplacement. Through this model we seek to develop mutually beneficial long-term relationships with our clients and the workers who seek employment through us.

The table below sets forth the revenue from continuing operations contributed by each business line for the years indicated:

	For the year ended December 31,		
	2016	2017	2018
	(RMB in thousands)		
Flexible staffing	1,379,701	1,696,087	2,124,304
Headhunting	199,203	230,714	272,343
RPO	21,442	25,642	30,143
Other HR services	23,755	54,479	64,704
	1,624,101	2,006,922	2,491,494

Flexible Staffing

We provide flexible staffing services under the brands of "Manpower" and "万宝盛华." We devise flexible staffing solutions to deliver qualified associates to our clients and assist in managing their contingent labor needs. We target clients (i) who have increased demand for staff due to continued business expansion, (ii) who seek better control over operating costs associated with hiring, benefits, retirement, taxes and long-term compensation, or (iii) who have temporary or contingent labor needs from time to time. We work closely with our clients to ensure our flexible staffing solutions do support their workforce strategies. We believe we are a

resource that can manage almost all aspects of flexible staffing: from recruitment to onboarding to ongoing satisfaction measurement. As we are responsible for the remuneration and other administrative matters related to our associates, our clients will be able to focus management resources on their core activities, while still gaining access to the quality service provided by our associates.

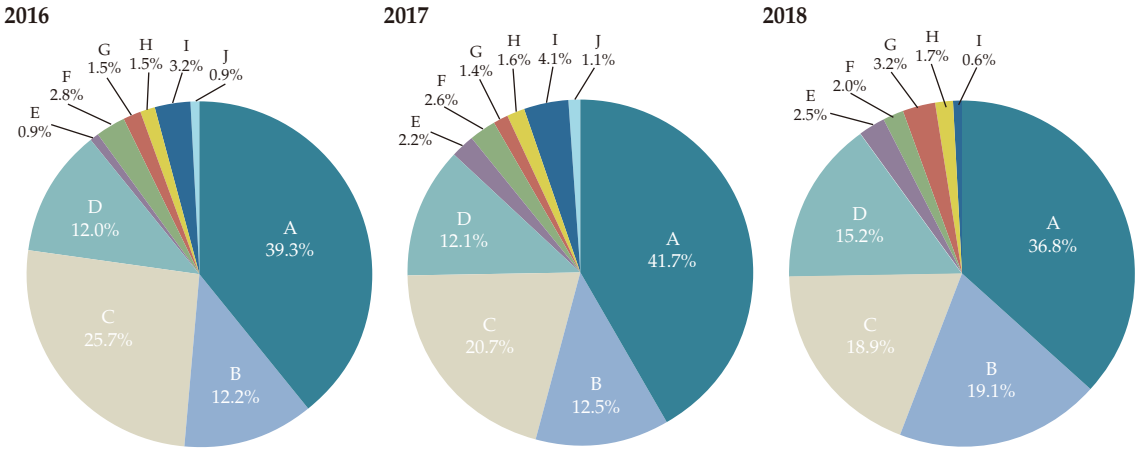
Flexible staffing is a business arrangement. Within this business arrangement, we have different ways of supplying workforce to our clients and, as a result, several forms of legal relationships may exist between the relevant associates and us, depending on the requirements of applicable local laws and regulations. In the PRC, our flexible staffing business encompasses the following formats in terms of legal employment relationships:

- *Regular hire*. "Regular hire" is by far the most common legal format through which we make our hire for associates for our flexible staffing business. Under this format, we enter into regular, fixed-term, bilateral employment relationships with the relevant associates, regulated by the PRC Labor Law, PRC Labor Contract Law and other applicable PRC labor regulations. During the Track Record Period, regular hire accounted for a majority of our flexible-staffing associates. For the years ended December 31, 2016, 2017 and 2018, regular-hire associates accounted for 77.9%, 88.2% and 85.3% of the total number of our associates in the PRC, respectively.

- *Labor dispatch*. As requested by clients, we also provide labor-dispatch associates for flexible staffing assignments, but to a much lesser extent in terms of headcount. Labor dispatch (劳務派遣) is a type of labor arrangement in the PRC, whereby the labor dispatch service provider, the worker and the enterprise "using" the worker (用工單位) enter into a tripartite labor dispatch relationship which governs their rights and obligations towards each other. Apart from the general labor laws and regulations, labor dispatch is subject to additional regulation specific to this form of labor relationship, including the Labor Dispatch section of the PRC Labor Contract Law, the Implementing Measures for Labor Dispatching Administrative Licensing (劳務派遣行政許可實施辦法) and the Interim Provisions on Labor Dispatch (劳務派遣暫行規定) (collectively, "**Labor Dispatch Regulations**"). In practice, we will usually provide labor-dispatch associates for a flexible staffing assignment only upon the client's request if such assignment satisfies the following major legal requirements: (i) the jobs to be filled by the associates must be temporary, auxiliary or substitutive in nature, (ii) such associates will not account for more than 10% of such client's overall workforce (there is no requirement as to the percentage of dispatched workers out of our overall workforce), and (iii) the term of engagement with the associates must be at least two years. Our client is responsible for ensuring the compliance with the first two major requirements, while we are responsible for the third. During the Track Record Period and up to the Latest Practicable Date, as confirmed by the PRC Legal Advisors, to the extent we conducted labor dispatch, we were in compliance with the Labor Dispatch Regulations in all material respects. For the years ended December 31, 2016, 2017 and 2018, labor-dispatch associates accounted for 22.1%, 11.8% and 14.7% of the total number of our associates in the PRC, respectively.

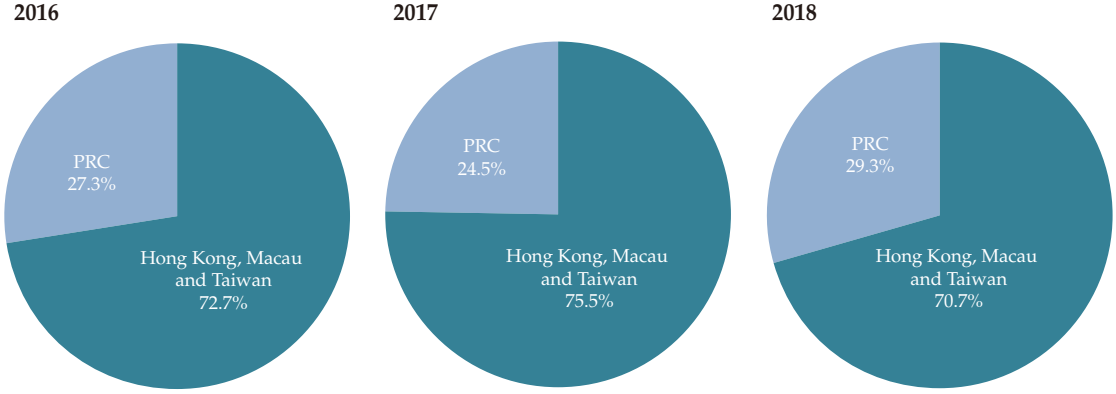
Placements

For 2016, 2017 and 2018, we placed over 24,000, 28,000 and 31,000 associates in aggregate. The term of deployment of our associates generally ranges from one day to three years. We serve our clients engaged in different industries with flexible staffing demand. The charts below break down our associates placed by industry for the years indicated based on our internal classification:



A. Sales and marketing
B. Information technology
C. Administrative
D. Commerce, engineering and manufacture
E. Hospitality
F. Pharmaceutical
G. Accounting and finance
H. Material and energy
I. Training and development
J. Others

We also have a broad geographic coverage in our flexible staffing business. As of December 31, 2018, we provided flexible staffing service to clients located in over 130 cities in Greater China region. The charts below break down our associates placed by geographic location for the years indicated:



Associates

We employ select candidates as associates on a contract basis. We have a large candidate pool to select our associates from, consisting of individuals such as hourly workers, university students seeking work experience and income between school terms, retired experts, as well as freelancers. As of December 31, 2016, 2017 and 2018, our flexible staffing talent database contained over 1.3 million, 1.3 million and 1.4 million candidates, respectively. We hire associates through multiple sourcing channels, including our internal candidate database, our subscriptions to job portals where we advertise openings, social media and other digital channels such as *WeChat* and *Weibo*, referrals of candidates and clients, walk-in applications and online registrations by candidates for potential job opportunities on our websites. We use proven and reliable assessments to pinpoint candidates' abilities and potential fit with our clients' work environment.

Because we are able to find and hire associates in a timely manner, we generally do not maintain unassigned associates on our payroll and only hire associates when client needs arise. Our flexible staffing model can easily adapt to the varying staffing needs of our clients throughout different seasons. When clients are in a busy season in their business cycle, we have people with different skill sets ready for orders that need immediate help. During the slowest time of the year, our clients do not have to pay for staff overhead under our flexible staffing model. Most of our associates are cross-trained in multiple aspects of staffing as we provide relevant training to help associates adapt to clients' positions quickly, including trainings on computer skills and other soft skills. Our training gives associates the ability to assist our clients in different positions and departments, furthermore, it helps associates find better positions through talent upskill.

We put our associates on our payroll and concurrently place them with our clients under agreements that have terms ranging from one day to as long as three years, depending on the relevant client's needs. In each payroll cycle, we pay salaries and employment benefits, including social insurance and housing provident funds, to our associates. We outsource certain payroll and mandatory employment contributions payment related to our associates to third-party agents. See "—Suppliers." We bill our clients a fee that covers the associates' labor costs plus a mark-up. The mark-up we charge on flexible staffing varies, depending on, among others, costs of providing the services, urgency of the demand, skill level of associates needed, rareness of associates needed, volume of orders, potential for growth and past relationship with the client. During the Track Record Period, the mark-up for our flexible staffing service was generally 15% to 25%. Some of our clients offer non-mandatory employee benefits to our associates. If our associates are excluded from such non-mandatory employee benefit plans of our clients, we may include our associates in ours on a discretionary basis.

We engage law firms with recognized labor law specialists as our compliance consultants in an effort to ensure that we are compliant with laws and regulations in all aspects of our operations. We have various types of employment/engagement contracts with our associates, including permanent employment contracts, project-based contracts and hourly worker contracts. Our associates will be deployed to work at venues designated by us. The salient terms of contracts with our associates are as follows:

- *Terms of employment.* An employment contract with associate sets out the nature of work, the location of work, the duration of work and paid holidays that the associates are entitled to, such as statutory holidays. Neither party may amend the contract unless mutual agreement has been reached.

- *Labor protection*. We are under the duty to provide a safe working environment in accordance with government regulations. Furthermore, we have a duty to take active steps to prevent and/or reduce the number of work-related injuries, which includes the regular inspection of workplace, the provision of necessary safety equipment for work-related tasks and the organization of regular trainings to increase awareness.

- *Salary and benefits*. The contract sets out the amount of monthly salary, bonus, allowance and the date of the month when the salary is paid. Both parties are under the obligation to pay their respective portions of social insurance. The associate is entitled to other statutory protection, such as compensation for work-related injuries and inability to work due to illness.

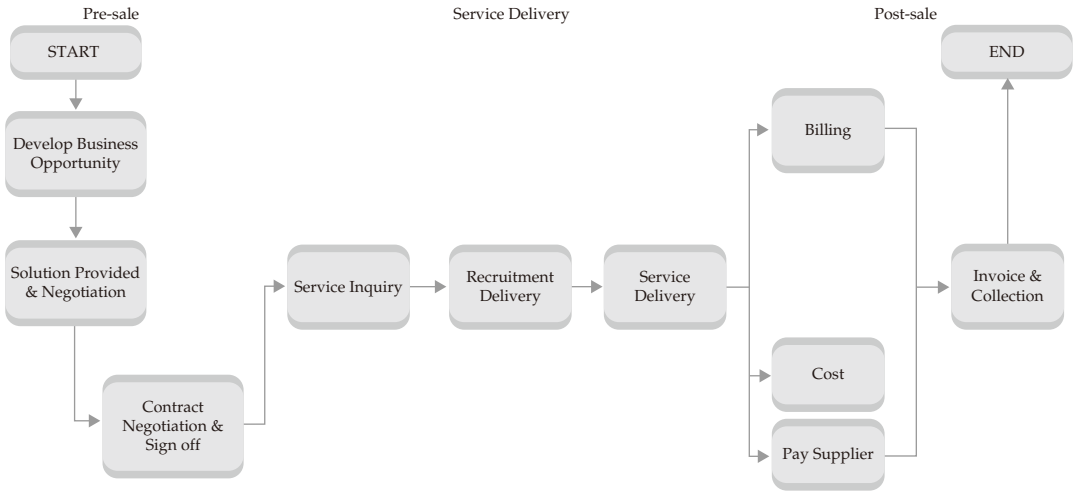
- *Employment restriction*. The associate is required to follow the rules set out in the employee handbook, keep all sensitive information confidential and act in the best interest of our Company. The contract prohibits the associate from working for any other third party.

- *Term of service*. The contract is typically a fixed-term contract terminable under a detailed list of circumstances. There is usually a probation period of around two months, during which the associate may quit with three days' notice. We are entitled to terminate the contract without notice if conditions set out in the contract are met.

- *Dispute and settlement.* We and the associate have the duty to compensate the other party who suffers damages caused by the acts or omissions of one party. All disputes shall be resolved through the agreed form of dispute resolution. Either party may appeal if the outcome of arbitration is not satisfactory.

Flexible Staffing Service Process

The diagram below illustrates the work process of our flexible staffing services:



Pre-sale: Business Development and Contracting

We target repeat business and often receive enquiries about our flexible staffing services from existing clients. We also actively reach out and solicit new clients that operate in industries requiring large numbers of temporary staff. Relationships with existing clients enable us to track their requirements, and with new clients we devote time and resources to understanding their business and ascertaining their requirements, including the type and scope of services required, number of staff needed and budget. Upon client requests, we may provide labor-dispatch associates for flexible staffing assignments in the PRC in compliance with applicable laws and regulations. After considering the availability of our associates and our capacity for meeting the service requirements, our designated operation team, headed by one or more partners, will prepare proposals or service quotations for our clients' consideration and participate in the bidding process. Upon acceptance of our proposals or service quotations by our clients, we will prepare a service agreement for signing. Typically, our flexible staffing service agreement is for a fixed tenor depending on the needs of our clients. The key terms of our flexible staffing service agreement are as follows:

- *Scope of services*. A typical contract for flexible staffing sets out the functions of associates to be provided under the contract (*e.g.*, office administration, creative and design, sales and marketing and human resources). The contract will also describe the position for which resources are required under each function (*e.g.*, assistant, analyst and specialist).

- *Performance standards*. Our contracts typically set forth KPIs used to measure the productivity of each associate. Typically, the performance of each associate is reported in a grading system and each grade is associated to a pre-determined salary adjustment amount. The amount of salary adjustment and calculation methods are also detailed in the contract. Our fees are adjustable based on the quality of the associates we provide. We may be required to pay a penalty or terminate a contract if the associate we provide performs below an agreed standard after multiple warnings. The method of measuring our overall performance is detailed in the contract.

- *Fees and payment*. Fees for flexible staffing can only be charged if an associate has been successfully placed. The fees are usually calculated and paid on a monthly basis. In some cases, fees can be charged on an hourly basis, with a minimum of four hours.

- *Client's obligations*. It is the duty of the client to notify us should they wish us to replace an associate in a position with another associate, with or without cause. The client is obliged to ensure a safe working environment for our associates to complete their tasks. The client is also obliged to provide a specified period of notice if a project is to be terminated affecting a number of associates. Depending on the number of associates that will be affected, the notice period varies and is set out in the contract.

- *Term of service*. The contract is for a term which commences from a specified effective date to an expiration date, typically interpreted with an automatic renewal clause unless otherwise specified.

We use a computer system to track and manage our services. Each time a client places an order, the order is entered into the system with the details of the positions required and the start date. Once the order is entered, we will assign associates to the order number. Only designated partners and employees will be able to access such order. The system can show various details of an order, such as when the order was placed, when it was filled, if any replacements were needed and the payroll process. The system has the ability to calculate various metrics. See "—Technology—Our Digital Workforce Platform."

Service Delivery

After being engaged by our client, the partners in charge of the matter will discuss with our client in detail, aiming to fully grasp the needs and requirements of the client. With a better understanding in mind, our partners will come up with a detailed execution plan, including delivery schedule of associates. Once the execution plan is confirmed, we will start to anchor our associates by shortlisting candidates from our database and sourcing additional candidates through external online and offline sources.

Candidates must successfully pass the initial interview process with us where they must adeptly articulate their previous work experience and what skills they have. After interviews with the potential associate candidates, where requested by our clients, we will arrange for briefing and training sessions for the selected staff candidates to be carried out by our clients. We can also perform customized testing at the request of our clients to measure the candidates' competency, efficiency and ability to follow instructions, among other things. In some cases, some of our candidates may be subject to further selection by our clients before being deployed by us. We will handle various employment administrative work such as preparation of employment contracts, calculation of payroll, and handling employee contractual benefits and relevant insurance for employees as required by laws and regulations.

Upon confirmation of selection by our client, we will employ the selected candidates as associates on our payroll. We will coordinate with the client to provide induction training to prepare the associates for work. In each payroll cycle, our consultants usually collect information automatically generated from our e-timesheet system. For those clients who do not apply an e-timesheet system, our consultants collect the information manually. Such information includes the working hours, performance and leaves taken for payroll calculation. The service team will then calculate the payroll, personal income tax and social insurance, which fully align with the applicable laws and regulations. Our system can provide all kinds of various reports that meet the requirements of clients and authorities as well as our own needs. We keep in close contact with our associates to ensure continuity in performing their work according to our clients' requirements during the contract term. If any associate decides to quit during the contract term, we will also handle their demobilization and replacement procedures.

Post-sale: Billing, Quality Control and Follow-up Actions

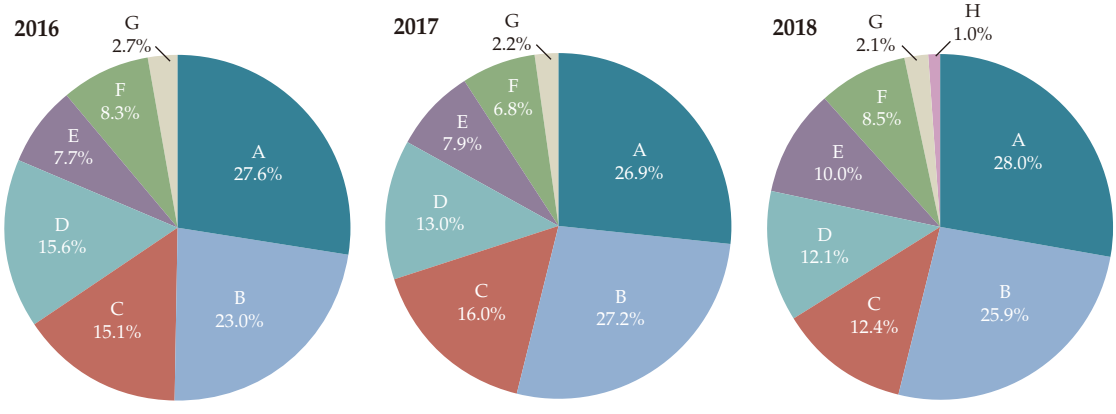
We charge our clients either on a per project basis or on a per headcount basis. Our clients are usually billed monthly and are typically required to pay the fees to us within 30 to 90 days from invoicing. In each payroll cycle, we pay labor costs to our associates, and then we bill our clients a fee that covers the associates' labor costs plus a markup expressed as a percentage, generally 15% to 25%, of the labor costs.

Our clients are obliged not to hire, directly or indirectly, our associates for a certain period following the completion of their services. However, we also offer a "temporary-to-permanent" option. In the event that our clients wish to hire our associates, they are required to pay us a "temporary-to-permanent" fee calculated based on a percentage of the successfully placed candidate's annual remuneration package in the first year of her employment. In the years ended December 31, 2016, 2017 and 2018, our clients hired approximately 300, 220 and 370 of our associates through the "temporary-to-permanent" program. For the years ended December 31, 2016, 2017 and 2018, "temporary-to-permanent" fees we received amounted to RMB3.3 million, RMB3.4 million and RMB4.7 million, respectively.

Headhunting

We provide headhunting services under the brands of "Experis" and "万宝瑞华." We have proven expertise in recruiting the right candidates for middle to senior level permanent openings of our clients. By combining it with our deep knowledge of local talent trends and extensive database, we give our clients access to a deep pool of highly qualified candidates. We have a large and active headhunting candidate database, which is constantly updated, consisting of over 1.5 million, 1.7 million and 2.0 million candidates as of December 31, 2016, 2017 and 2018, respectively. In 2016, 2017 and 2018, we successfully placed approximately 3,100, 3,400 and 4,100 candidates, respectively.

We have developed a deep understanding of the needs of clients in certain key industry sectors as well as the people who work in them, and constantly seek to expand this expertise into additional sectors. Industries in which we have been particularly active include IT, finance, engineering, smart manufacturing and retail. As of December 31, 2018, we had over 2,000 clients engaged in technology-related industries. We cover extensive seniority levels and job functions, from senior management and executives to junior operation and supporting teams, from general corporate leadership to engineering, administrative, secretarial, manufacturing and other support positions. To provide more efficient and focused service, we divide job openings for which we have been engaged to conduct searches among seven major functions. The charts below break down our placements by function for the years indicated:



A. Sales and marketing
B. Engineering and industrial
C. Accounting, legal and financial
D. Information technology
E. Office services
F. Hospitality
G. Executive and management
H. Others

Our Headhunters

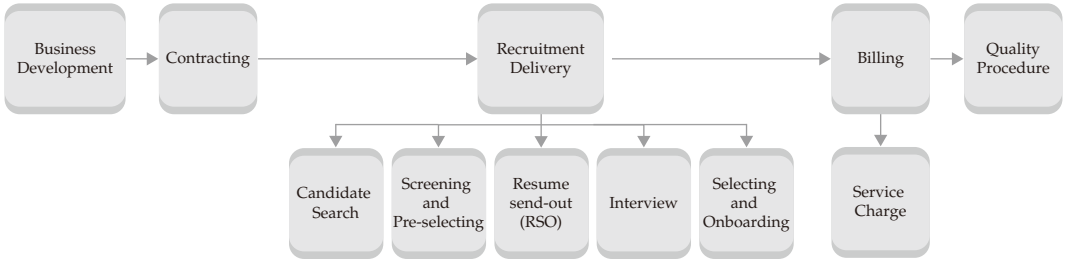
We employ a team of headhunters who source candidates, engage clients and implement placements. As of December 31, 2016, 2017 and 2018, we had approximately 410, 415 and 470 headhunters. We also outsource a small portion of our headhunting service to select third-party headhunting firms to enhance our service capability in cities that are relatively new to us in a cost-efficient manner. See "—Subcontracting."

We have successfully built a team of headhunters, consisting of partners and consultants, with all-rounded skills coming from various backgrounds who strive to serve the demands of our clients. Our partners take the lead in originating and executing business and fulfilling various administrative functions. To support our partners, we hire consultants both organically and laterally. We value the work ethic and skill-sets of our headhunting consultants. We regularly evaluate the performance of our headhunters, taking into account various factors such as the number of successful placements and the amount of service fees and the number of new resumes collected. Our remuneration system emphasizes performance and provides our headhunters with autonomy. We pay our headhunters a base salary plus competitive performance-based bonus. The base salary is generally linked to experience and incremented annually, subject to annual evaluation and adjustment. The bonus is primarily linked to the revenue generated by a consultant during the review period.

We also employ a team of researchers to assist our headhunters in certain supportive and logistic functions, such as collecting and inputting resumes.

Our Headhunting Service Process

The diagram below illustrates the work process of our headhunting service:



Business Development

Our partners are the key constituents of our business development force. We serve both multinational companies and domestic enterprises, leveraging our global experience and local insight. We strategically concentrate our resources on well-paid positions.

We provide our services in a client-oriented manner. Generally, each partner focuses on one or several clients. For certain key account clients, such as those that have significant presence in more than one location or those with stable, sizeable headcounts in more than one internal department, we assign multiple partners to better serve their needs and enhance interactions. Our ability to scale in response to client requirements enables us to engage with multiple client-side contact persons, including senior decision-makers, hiring managers and HR staff, thereby ensuring we reach stakeholders across their organization who may have hiring needs.

We proactively reach out to key players in various industries, and have regular dialogues to exchange views on the latest talent movements and industry developments with our clients. Having built a strong reputation for excellent service, we to a large extent rely on word-of-mouth referrals by candidates we have placed and clients that we have worked with. We also make use of social media, such as our *Weibo* and public *WeChat* accounts, for promotion.

Contracting

We adopt an approach of connecting with our clients on their needs, counselling them on market realities and provide good value through placing the right candidates to achieve their business objectives. We first collect and identify the employment requirements of our clients, including the job nature, qualification, years of experience, salary package and employment benefits. The objective is to ascertain our client's requirements and work towards identifying the competencies and personality traits that an ideal candidate should possess. We then prepare a proposal or placement agreement for our client's consideration. Once our proposal has been accepted, we enter into a master service agreement with the client.

A typical master service agreement is supplemented by an individual addendum for an order when one or more positions to be filled is formally identified. The master service agreement sets out major terms, conditions and warranties. The addendum specifies information on the particular position to be filled, the number of candidates that can be referred and the responsibilities of both parties. The salient terms of our master service agreement for headhunting service include the following:

- *Fees and payment*. No fees are charged until a candidate has been successfully placed. Typically, the master service agreement/addendum requires payment within a designated period of time once the service is invoiced. We charge a fixed rate fee which is a percentage of the annual salary of the candidate successfully placed.

- *Guarantee period*. The master service agreement/addendum sets out a guarantee period, which usually begins from the date of invoice, whereby we guarantee a replacement in the case where a candidate ceases employment with the contracting party.

- *Term of service*. The master service agreement is usually effective for a term of 12 months which commences from a specified effective date to an expiration date with an automatic renewal clause under certain circumstances.

For 2016, 2017 and 2018, we obtained approximately 10,100, 11,200 and 13,900 orders, respectively.

Recruitment Delivery

"Delivery" of suitable candidates is the core step of the headhunting service process. In order to do this, we must maintain close working relationship with a deep pool of candidates with talent and relevant experience. In order to provide satisfactory service, it is crucial to fully understand client needs. We take a consultative and advisory approach when working with our clients. We assemble a team of experienced headhunters to bring both sector and functional expertise to the search.

- *Candidate search*. Upon ascertaining a client's requirements, we deploy headhunters with relevant expertise and experience to identify and source potential candidates from our local contacts, our database, online portals and/or social media. We have a large headhunting candidate database and constantly update it. We establish contact with candidates through various means and obtain names and leads through industry networking and candidate referral. We also reach out and connect to candidates through social media, such as our official *WeChat* account, and other online platforms. In 2016, 2017 and 2018, we collected over 243,000, 234,000 and 249,000 new resumes (including refreshed resumes of existing candidates), respectively.

- *Screening and pre-selecting*. We screen the resumes and select candidates who we believe possess the skills and traits needed. In most cases, the selected candidates go through face-to-face interviews with our headhunters first. Such "pre-interviews" are conducted based on a standard interview form designed by us that includes questions that have proven helpful and effective, including those about (i) the responsibilities and performance of the interviewee's current or past position, (ii) the interviewee's knowledge, skills and competency and (iii) the interviewee's motivation for a job change. Through the pre-interviews, our headhunters verify a candidate's eligibility for the position, assess whether she can fit into the client's business and culture, and check her salary expectation. In 2016, 2017 and 2018, we conducted over 166,000, 142,000 and 150,000 pre-interviews with candidates, respectively.

- *RSO*. Upon the shortlisting of qualified candidates, we send their resumes to the HR staff of our clients to gauge their interest, a milestone we refer to as RSO, or "resume send out." In 2016, 2017 and 2018, we had over 32,000, 30,000 and 30,000 RSOs, respectively. Together with the resumes, we send candidate reports to clients, highlighting the basic biography, key credentials and skill-sets of the candidates for our clients.

- *Interview*. If our clients show interest in the shortlisted candidates, we help them set up interviews and, in certain circumstances, refine their interview process by coaching clients how to host the candidates, advising clients on soft skills as a good facilitator and helping clients formulate the right questions. If our clients encounter any issues during the interview process, we can provide customized solutions and assistance to help achieve productive interview experience and results. Specifically, our headhunters can give pre-interview reminders and guidance to the candidates that are important to them at such critical juncture. After each interview, we gather

formal and informal feedback from the client and convey the feedback to the candidates promptly in a constructive way. We also collect feedback from the candidate to facilitate the closing process. In 2016, 2017 and 2018, we coordinated approximately 16,000, 18,000 and 18,000 interviews between candidates and our clients, respectively.

- *Selecting and onboarding*. Upon the confirmation of selection of a candidate by our client, we will be responsible for confirming the employment terms with such candidate on behalf of our client in accordance with its instructions. We play an active role in salary negotiations between our client and the candidate, including managing the expectations of the client and the candidate. We may also brief our client on the current market salary and benefits and such client's current position in the market in terms of its attractiveness to candidates. If our client confirms the employment terms and the candidate accepts the offer, we will arrange for the candidate and our client to sign the employment contract and get the candidate prepared for onboarding. On the successful candidate's first day on the new job with our client, we will place a call with each of the client and the candidate to see if the process is going on seamlessly and if any further assistant is needed. In 2016, 2017 and 2018, we successfully placed approximately 3,100, 3,400 and 4,100 candidates, respectively.

Billing

We issue our bill on the successful candidate's first day on the new job with our client. Our fees for the provision of headhunting service are usually calculated based on a percentage of the successfully placed candidate's annual billable remuneration package (excluding certain unbillable portions, for example, bonuses and options, as negotiated case by case with the relevant client) in the first year of her employment. The average annual billable remuneration package of our successfully placed candidates for the years ended December 31, 2016, 2017 and 2018 were over RMB371,000, RMB398,000 and RMB400,000, respectively. For the years ended December 31, 2016, 2017 and 2018, our average fee rate (without taking into account various forms of discounts we may give to the relevant client upon negotiation such as fee caps and volume discounts) for headhunting services was approximately 21%, 20% and 21% of the candidate's first-year billable remuneration package, respectively, which is higher than the industry average according to CIC.

Pursuant to our master service agreements, payment of our service fees shall be made to us within a period typically ranging from 30 to 90 days from the date of our invoice. The credit term for each client is negotiated on a case-by-case basis by taking into account various factors, such as the length of our business relationship with the relevant client and the relevant client's payment history, background and financial strength.

Quality Procedure

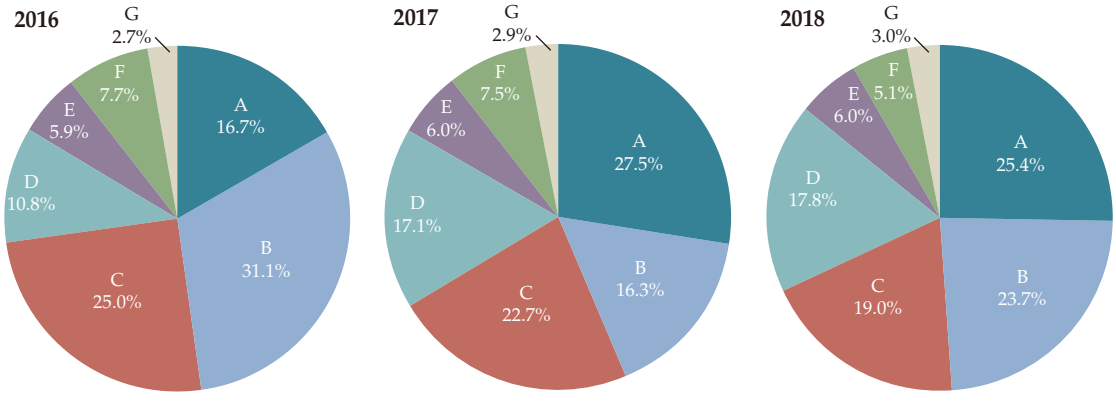
As part of our services, we carry out follow-up services with clients during the guarantee period. Such follow-up services include checking the performance of the successfully placed candidate.

We usually offer a guarantee period ranging from three to six months from the date when the successfully placed candidates commence their employment with our clients. If the employment of the successfully placed candidate is terminated due to reasons such as voluntary resignation, unsatisfactory performance or misconduct during the guarantee period, we shall, at our own costs, find a replacement candidate upon client request within the guarantee period as specified in the relevant master agreement. Under the master agreements with some of our clients, we shall refund a certain percentage of our service fees to our clients in the event that we fail to find a replacement candidate within the replacement period. For the years ended December 31, 2016, 2017 and 2018, the aggregate amount of refund accounted for 0.6%, 0.6% and 0.7% of our revenue from headhunting service, respectively.

Recruitment Process Outsourcing (RPO)

We provide recruitment process outsourcing, or RPO, service under the brand "ManpowerGroup Solutions" in the Greater China region. We provide talent-driven outsourcing of operations, functions and services to drive the productivity of our clients. Our RPO service sources and attracts talent through our flexible and scalable recruitment solutions, which cover the whole process from sourcing and selection to onboarding, transferring various functions handled by our clients' internal human resources department to us on a long term, short term or *ad hoc* basis. Built upon our deep recruitment expertise and based on rigorous processes, our RPO service usually can bring lower recruitment cost, an efficient recruiting process, suitable and qualified talent and lower turnover. In the years ended December 31, 2016, 2017 and 2018, our RPO service successfully placed over 1,600, 1,900 and 2,100 candidates for our clients. We do not maintain any candidates on our payroll. Candidates placed are employees of our clients and are placed on the client's, not our, payroll. For the year ended December 31, 2018, revenue contributed by clients with whom we had at least two years' relationship accounted for 73.8% of our revenue from RPO, and revenue contributed by clients with whom we had at least three years' relationship accounted for 54.8% of our revenue from RPO.

Our RPO service covers an extensive range of functions. The following charts break down our placements by function for the years indicated:



A. Sales and marketing
B. Information technology
C. Office service
D. Industrial
E. Technical, English and architecture
F. Legal and finance
G. Call center

Our RPO team has deep experience across HR disciplines and a deep understanding of our clients' talent needs and the job skills necessary for a business. We tailor sourcing strategies to locate, attract and engage the right talent, customized to a client's industry, internal business processes and focus areas. We set up a project team, primarily composed of an onsite team and a backend team. The onsite team will work together with our client at the client's office, just like its internal HR department. Through day-to-day interactions, our onsite team can gain a deep understanding of our client's business, culture and talent needs, and monitor the recruiting process closely to enhance effectiveness and efficiency. On the other hand, our backend team stays at our sourcing centers in Suzhou and Foshan to source and screen candidates. The two teams collaborate closely so as to ensure that the talent sourcing process is well-targeted and tailored and the talent needs of our client get fulfilled.

We sign various types of contracts with our clients including exclusive and quasi-exclusive contracts. Typically, our service agreement is for a fixed duration and most agreements are extended. The RPO service agreements entered into between our clients and us usually contain the following key provisions:

- *Scope of services*. A typical RPO contract comprises a master service agreement supplemented by multiple work orders. The master service agreement sets out major terms, conditions, warranties and indemnities. The individual work order sets out the particulars of outsourcing services to be provided which usually describes in detail a specific type of workforce.

- *Performance standards*. The master service agreement sets out reporting requirements and frequency which allow the client to validate and evaluate the standards of our performance. Specific standard for each type of service is set out in individual work orders which may vary depending on the type of service.

- *Fees and payment*. The master service agreement sets out the payment method for our services and associated tax implications. Information on how to invoice fees and reimburse expenses can also be found in the master service agreement. The work order sets out the exact amount and type of fees that are chargeable to the contracting party. It also sets out in detail the types of expenses that can or cannot be reimbursed.

- *Client's obligations*. The client is primarily responsible for, depending on the nature of the service, providing the information and access necessary for the delivery of our service. The client is also obliged to ensure a safe working environment for our employees to complete their tasks. Obligation to purchase labor insurance related to specific services is typically set out in the work order. In addition, it is the client's obligation to provide use of intellectual property as is necessary for the performance of our service.

- *Term of service.* The master service agreement contains a term which commences from a specified effective date to an expiration date not withstanding clauses allowing termination for cause or for convenience. Hence, termination of master service agreement does not always mean termination of service. Individual work order typically contains a fixed term.

We source candidates that match the requirements of our clients. The basis of our service fees is either on a per candidate basis or on a per order basis. Our service fees consist of two parts: management fee and placement fee. The management fee is charged based on the project size, the size of the on-site team and the complexity of the project. Placement fee is charged based on either a percentage of the candidates' salary or a fixed fee. Our clients are usually billed monthly and are required to pay us within 30 to 60 days from invoicing.

Our obligations to our clients would typically include ensuring the selected candidates are of reasonable standard of skills, reliability and fit for the role requested by our clients. If our clients require, we offer to arrange for medical check-up and assist in the application of necessary work permits of selected candidates. In the event that the selected candidate resigns or are found not suitable by our clients within a prescribed period from commencement of work, we will typically undertake to find suitable replacement.

Our RPO Service Process

The diagram below illustrates the work process of our RPO service:



Business Development

Because of our good reputation in providing RPO services, our existing clients would normally enquire from us if they need to recruit permanent staff. We will collect and identify the employment requirements of our clients including the job nature, qualification, years of experience, salary package and employment benefits. We will then prepare a proposal for our client's consideration. We also reach out to existing and potential clients to explore market opportunities and participate in the tender and bidding process organized by existing and potential clients.

Once the client accepts our proposal, we will negotiate a detailed execution plan with our client, including the pricing model and payment schedule. We also discuss the execution plan in detail with our client, including the number of employees needed by each relevant department and timing requirements. Once all such details are in agreement, we sign an RPO service agreement with our client.

Team Building

Guided by our clients' requirements and in view of our partners' and consultants' capacity and expertise, we will line up a project team. Usually, our project team is composed of two separate teams, an onsite team of client-facing employees and a backend team of employees providing supporting and backend services. The onsite team works together with our client at the client's office, monitoring the recruiting process and onboarding logistics. Our backend team focuses on sourcing the right candidates at our sourcing centers in Suzhou and Foshan. The two teams collaborate closely to ensure that we anchor the suitable candidates in an efficient way.

Recruiting

For each project, we prepare a work manual to guide our recruiting activities, setting forth the recruiting requirements and execution plan in detail. We hold internal training for the project team based on such work manual. Positions to be filled will be assigned to specific members of the backend team to facilitate targeted hunting and enhance efficiency. Our backend team identifies and sources potential candidates from our database or through advertising online, among others. We then compile a list of potential candidates who match the job descriptions provided by our clients or the requirements identified by us. Before making referrals to our clients, we screen the potential candidates and shortlist the suitable candidates by conducting initial interviews and background checks on the potential candidates. We refer suitable candidates to our clients that match their requirements within a reasonable time. Our clients have the discretion to decide whether the potential candidates would be required to go through a second interview with them.

Commencement of Employment

Upon the confirmation of employment of the candidates by our clients, we are responsible for confirming the employment terms with the selected candidates on behalf of our clients in accordance with their instructions. We may also brief our clients on the current market salary and benefits and their current position in the market in terms of their attractiveness to candidates. If our clients confirm the employment terms and the selected candidates accept the offers, we arrange for the selected candidates and our clients to sign the employment contracts.

We are responsible for the onboarding logistics, including arranging medical examinations and conducting briefing and orientation for the selected candidates. The selected candidates will then report to work at the clients' designated premises.

Tracking and Billing

Our project team will follow up with our clients on the newly placed employee' performances. In the event that the selected candidate resigns or is found unsuitable by our clients within a period from commencement of work, we will typically undertake to find a suitable replacement at no extra charge. Our clients may reject to pay part or all of our service fee if we cannot find suitable replacements within a reasonable period of time.

Some contracts are project based whereas other contracts are charged based on the number of candidates successfully placed. Our clients are required to pay us the fees within 30 to 60 days from invoicing.

Other HR Services

We provide other HR services to our clients, including HR consultancy services, training and development services, career transition services and other services. Our other HR services are complementary to our flexible staffing, headhunting and RPO services, aimed at covering the entire workforce cycle and providing our clients with one-stop HR services.

HR Consultancy Services

We provide a variety of HR consultancy services to help employers create talent strategies for workforce management that improve business agility and performance. These are provided under the brand of "Right Management" and often abbreviated as "RM." Our HR consultancy service assists our clients primarily in the following aspects:

- *Individual development*. identify high-potential talent and accelerate the length of time necessary to realize the value of the employee, or what we call "time-to-value," with targeted assessments, leadership training and capability development; and

- *Organizational effectiveness*. enhance organizational performance and agility with talent strategies that address skill gaps, build leadership pipelines and increase workforce engagement and retention.

To help clients improve individual development and organizational effectiveness, we provide various tools and solutions, including:

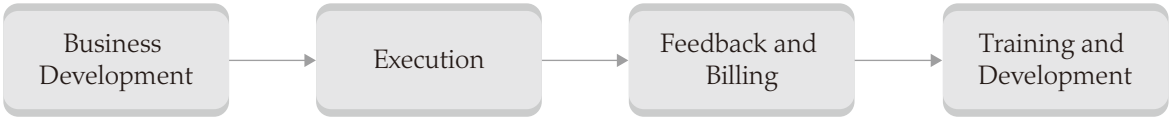
- *Leadership development*. We help clients identify future leaders to fill critical roles. We have developed a P3 Leader model (representing people, purpose and performance) to provide an efficient, proven framework to help organizations (i) assess and identify individuals with the greatest probability for success; (ii) develop and coach the behaviors that matter most; and (iii) define KPIs to ensure business and talent-related outcomes align with our clients' goals. The P3 Leader model provides a systematic way for organizations to build strong leadership pipelines by identifying talent with the greatest potential for success, helping them develop a focused set of capabilities, and managing their performance by measuring and rewarding relevant outcomes.

- *Career management*. We help organizations compete for talent. An effective career management strategy can help improve engagement, foster employee development and ensure an organization is viewed as an employer of choice. Our career management solutions can help clients (i) provide employees with the tools they need to develop their careers; (ii) embed career development into the ongoing performance management practices of our clients; (iii) train managers how to connect with employees; (iv) leverage assessment methodologies to help employees develop a career map aligned with their strengths and (v) understand employees with great potential for mobility and growth within the organization.

- *Talent assessment*. We provide talent assessment tools developed and licensed by third parties. For example, we provide tests that help employers assess the personality and workplace character of employees through a comprehensive assessment of an employee's education, personality, skill set, values, knowledge and ability to think. We have long-term cooperative relationship with external experts who will analyze the assessment results and make recommendations for promotion, echelon building and individual development.

Our HR Consultancy Service Process

The diagram below illustrates the work process of our HR consultancy service:



Business Development

From time to time, our clients consult with us regarding their workforce management needs. We discuss with clients to understand their "pain points" and their requirements. We then prepare a proposal for our client's consideration, setting forth our recommended solutions. We also reach out to existing and potential clients to explore market opportunities and participate in the tender and bidding process organized by existing and potential clients.

Once the client accepts our proposal, we will negotiate our fee with our client, including the pricing model, either a one-off fixed fee or an hourly rate, and the payment schedule. We will also discuss the execution plan in detail with our client. Once all such details are agreed, we will sign an HR consultancy service agreement with our client. The salient terms of an HR consultancy service contract include the following:

- *Scope of services*. A typical HR consultancy contract sets out the scope of service to be provided. The scope is designed on a case-by-case basis which is usually reflected in the proposal we pitch to the client after we have developed an understanding of the needs of their business. The scope of the service is usually set out in the contract through specifying the terms of services such as the function, location, recipients or delivery modes.

- *Performance standards*. Our HR consultancy contracts with clients are usually exclusive. Performance standards are measured through key performance indicators designed with the specific nature of the particular case in mind. Typically, the contract sets out a periodic review of performance standards with the flexibility to adjust service provision base on the results of performance evaluation. Delivery success is usually measured on a quantifiable basis detailed in the contract (*e.g.*, reduced administrative cost by a certain percentage within a period of time).

- *Fees and payment.* Typically, the contract sets out the payment amount, payment terms and payment methods. Depending on the structure of the service, the price can be set out as a range. Fees are charged base on various factors, such as time required, number of consultants required, complexity of the case, and the successful delivery of the service.

- *Client's obligations*. The client is primarily responsible for providing necessary information for the delivery of our service. The obligation is on the client to also provide a safe and adequate work environment for the delivery of our service if the service is to be performed on site. It is also the client's obligation to provide us with the use of intellectual property as is necessary for the performance of our service.

- *Term of service.* A typical HR consultancy contract contains a fixed term notwithstanding applicable clauses permitting termination for cause.

Execution

Guided by our clients' requirements and in view of our partners' and consultants' capacity and expertise, we will line up a project team. The project team will work with the client closely throughout the process to ensure an effective execution. We take control over the whole execution process and monitor each step closely to ensure service quality.

Feedback and Billing

After the completion of a project, we collect feedback from the client to help us evaluate our service and improve future performance.

We bill our client at each key phase of a consultancy project. Typically, we require our client to make a down payment at the outset of the project. At the end of each month during the process of a project, we assess the progress that has been made. We issue a bill once the agreed target is hit. Our clients are required to pay us the fees within 10 to 60 days from invoicing.

Training and Development Services

We are committed to providing comprehensive solutions for middle level management, high potential talent pooling and capacity improvement. To this end we provide training and development services that serve multi-national companies, large domestic enterprises and local small- and medium-sized enterprises. We also offer skill based trainings which enable workers to learn new skills. We match our advanced assessment tools, customized training courses, coaching tactics and mobile learning programs to the situation of our clients.

We started as a workplace English training provider in October 2015. Now we have developed a training platform, "woskill," offering a portfolio of training products that are professional and adaptable, focusing on (i) general management skills; (ii) specialized core skills for various positions, such as intelligent manufacturing; (iii) career development and (iv) industry-tailored workplace English, our "WOWtalk" training program. Our "woskill" and "WOWtalk" websites provide a display of the training programs on offer, and build in buttons that are linked to separate websites operated by third-party ICP license holders where the training courses are streamed. As of December 31, 2018, we had over 400 training programs on offer. We also provide alternative training and development services, including (i) corporate training program development; (ii) trainer support; (iii) e-learning platform and (iv) other custom-made training courses. We are flexible in terms of training venue. Our courses are accessible both (i) online: clients purchase access to our e-learning platform for their employees who need the training services for which we charge on a per user basis, and (ii) offline: either in our client's workplace or at our office. The courses are delivered by both our in-house trainers and external experts. As of December 31, 2018, we had over 10 in-house trainers and cooperated with approximately 70 external trainers.

Work Process

The diagram below illustrates the work process of our training and development service:



Business Development and Contracting

We gradually diversified our product portfolio since starting as a workplace English training provider in October 2015. Through the years, we believe we have been widely accepted in the industry and trusted by our clients. In addition to offering training and development services separately, we also offer such services in collaboration with our other services, such as HR consultancy service. During the course of our HR consultancy service, our HR consultancy team may assess the weakness in our client's workforce and detect market opportunities for our training and development services.

Once our client selects us to provide training and development services, either our courses in stock or custom-made programs, we will sign a contract with the client. The salient terms of our training and development service contract include the following:

- *Scope of services*. A contract on training and development usually falls into one of the two categories, service provision or class subscription. For service provision, the contract sets out the scope of services we provide, such as managing training event, assisting in large projects and events, planning and supporting training delivery, as well as providing trainers with specific qualifications. For class subscription, the contract sets out the type of class the contracting party purchases and the number of accounts available for online classes or the number of attendants for classes in person.

- *Performance standards.* For service provision, a typical contract sets out requirements of specific qualifications and experience on the person who delivers the service. We designed a detailed framework to evaluate the success of our services through different perspectives including classroom climate, instructional management system and student progress. The success can sometimes be measured through behavioral change observed by management of the contracting party.

- *Fees and payment.* Fees are usually charged on a monthly basis if the service provision is regular and continuous. The contract sets out the monthly rate, gratuity and any accrual annual leave. Otherwise a fixed fee is charged on a case by case basis for one-off services. A typical contract for class subscription sets out a subscription price to be paid either in full or by stages depending on the type of class and the number of accounts or attendants.

- *Client's obligations.* The client is entitled to change the scope of services required under a training and development contract but it is the obligation of the client to provide timely notice in order for us to meet the change requirements. For class subscription, it is the client's obligation to ensure the attendance of the participant.

- *Contract term.* Contract on service provision or class subscription typically contains a fixed term depending on the nature of the training and development service the client purchases.

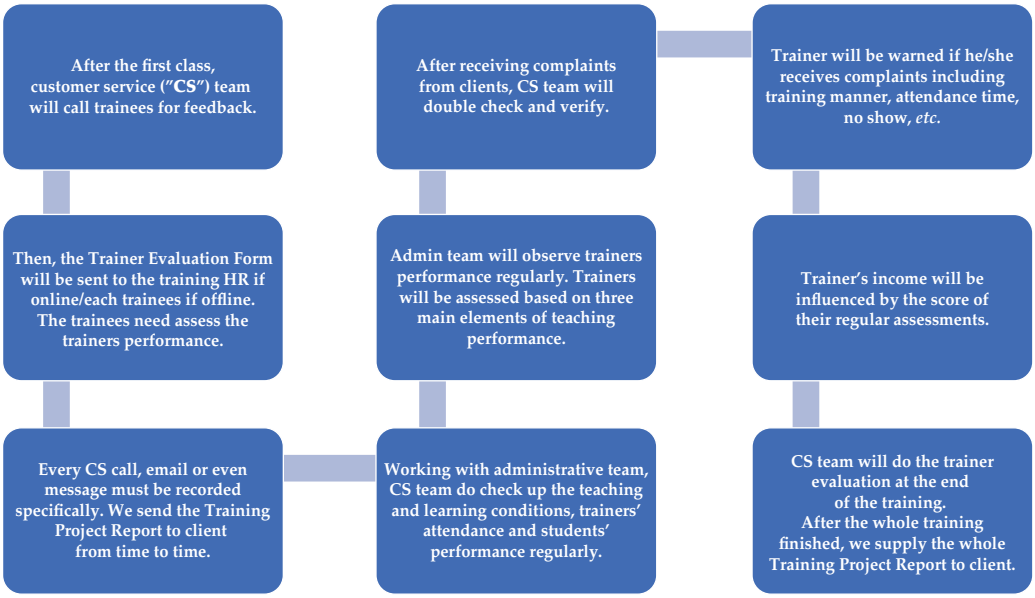
Delivery

Our training courses are either delivered online through our e-learning platform or offline at either the workplace of our client or our own office. The courses are delivered by both our in-house trainers and external experts. Certain trainings are delivered on a one time basis, others are training series that take multiple courses to complete, spanning over a period of time.

Billing and Feedback

Usually, once the training has been completed, we will bill our client as provided in the service contract, taking into account the number of participants and the time spent. Clients that purchase access to our e-learning platform need to pay in advance. Our clients are required to pay us the fees within 15 to 30 days from invoicing.

We deem client feedback important to us, both for evaluation of the effectiveness of our training and for improvement of our service quality. The flowchart below shows the standard workflow of our training which demonstrates how we measure the effectiveness of the service we provide and subsequently report the satisfactory rate to our clients.



Career Transition Services

We help clients reduce risk around career transitions and improve talent mobility within the organization with our proven outplacement solutions. We offer outplacement services with respect to exiting employees, which can bring multi-layer positive effect to our clients. With our outplacement services, transitioning employees can get professional help in identifying and preparing for their next career move so that they can land on their feet faster. Current employees are more likely to view the changes positively and stay engaged and committed to their work. The organization can maintain productivity, protect its brand reputation and reduce risk throughout the transition. On the other hand, we have a career transition tutorial program to help exiting employees better handle such transitional stage of their career. In 2016, 2017 and 2018, our career transition tutorial program enrolled over 950, 610 and 490 individuals to help them transit to new roles, careers and opportunities, while helping organizations increase their workforce agility. Our outplacement services are particularly important to us during a market downturn when the demand for outplacement services increases while our other main services do not profit as high as usual. This makes us less susceptible to economic cycles and market volatility.

During the execution process of our outplacement service, we help our client communicate with the exiting employees and make a smooth and caring transition. We also provide career assessment to such exiting employees to identify their potential and strength and get them prepared for the next stage. We train our client's HR staff to conduct exit and assessment interviews with exiting employees and provide trainings to the exiting employees at our premises. Our communication and interaction with them during the exiting process help us better understand their capabilities and personalities, which enables us to give helpful advice to them on potential work opportunities.

We bill our client at each key phase of the career transition service process. Typically, we require our client to make a down payment at the outset of the project. Each month during the process of a project, we assess the progress that has been made. We issue a bill once the agreed target is hit. Our clients are required to pay us the fees within 30 to 60 days from invoicing.

Other Services

We provide other services upon client request, including government solutions and payroll services.

We provide government solutions to governmental clients. We assist PRC governmental agencies in their workforce management. Through our government solutions services, we help local governments and governmental agencies with employment assessment, research on urgently-needed professionals, talent introduction and industrial park development. We are also frequently sought after by national and regional media outlets for expert insights into trends shaping the world of work.

We also provide payroll services to our clients by handling payroll-related matters for their employees. A company's payroll function is a sensitive and highly confidential administrative task and it is also a costly and time-consuming process. By outsourcing their payroll functions to us, our clients can concentrate on developing and growing their core businesses. We assist our clients in administering their confidential payroll processes, conducting salary and other payment item calculations, arranging for salary payments, monitoring and maintaining payroll records and leave entitlements, preparing and filing employment-related tax returns and providing electronic payslips, among other things. Typically, our payroll service agreements have a term of two years. The service fee of our payroll services is charged at a fixed fee on a monthly basis. Pursuant to our contractual terms, the payment of our service/bundle fee shall be made to us within a period of 30 days from the date of the invoice.

OUR PARTNERSHIP SYSTEM

In our own organization, we have adopted a partnership system. Our "partners" are our salaried senior employees and are not partners in a legal partnership. The system is intended to encourage partners to take the lead in originating and executing business and fulfilling various administrative functions.

We first launched the partnership system in headhunting in 2013. Following the success in headhunting, we replicated the partnership system in flexible staffing in 2016 and the number of partners grew significantly in 2017. All the other business lines have adopted the partnership system and we witnessed an impressive growth rate with partners managing larger teams and generating higher revenue since the launch of the partnership system.

Our partners are hired externally or promoted internally. We place emphasis on internal promotions because partners who are internally promoted usually demonstrate high sense of loyalty. Most partners have over five years of industry experience with solid performance record. In selecting partners, we look for capability in both sales and delivery. Furthermore, we expect our partners to be good leaders and self-motivated with the drive to succeed.

Our partners manage the revenue and delivery cost of their teams and hence have a high degree of control over their own profit margins. Target gross profits are set with partners annually and the partners' compensation packages are directly linked to their ability to achieve target gross profits. Therefore, our partners are motivated to meet or exceed their targets so they can enjoy profits together with us. As a result, partners who do not meet target gross profits may receive reduced compensation or demotion according to the employment contracts as permitted by relevant laws and regulations. The flexibility and autonomy in the partnership system promoted the sharing of resources amongst partners, which, in turn, increased our overall delivery efficiency.

Our partners are client-centric. We set rules to optimize our operations and avoid internal competition. Generally, each partner focuses on one or several clients. We may assign multiple partners to certain key account clients, such as those that have different branches, those that have significant presence in more than one location or those that have stable, sizeable headcounts in more than one department. In these scenarios, we usually enter into separate contracts with the different branches of the client. In other cases, we may assign multiple partners to serve the same unit of a client, because they collaborate with different contact persons or they contact the same person for different orders.

INTELLECTUAL PROPERTY

Intellectual property is important to our success and competitiveness. We rely on a combination of copyright, trademark and trade secret laws, restrictions on disclosure and domain names to protect our intellectual property rights. As of the Latest Practicable Date, we owned a total of 18 trademarks registered with SAIC, owned four copyrights registered with the National Copyright Administration of the PRC, and registered 26 domain names. We require our employees to sign an employment agreement which prohibits the unauthorized disclosure of our trade secrets, confidential information and proprietary technologies subject to the terms and conditions of the employment agreement.

We have also licensed certain trademarks and brand names from the MAN Group, which were registered with relevant authorities by the MAN Group. See the section headed "Connected Transactions."

During the Track Record Period, we were not subject to any material intellectual property infringement claims or disputes.

SALES AND MARKETING

Each of our major business lines is in charge of its own sales and promotions. We leverage our reputation and word-of-mouth referrals to grow our client base. We have also established a set of mechanisms to increase sales. Our partners work with our clients directly and benefit from a large amount of interactions with our clients. This enables them to understand the needs of our clients so they can identify business opportunities in a timely manner and propose suitable solutions. We rely on our partners to grow client accounts and explore new business opportunities. Furthermore, we encourage cross selling between partners from different business lines. This enables our partners to address client needs more effectively and deliver workforce solutions more efficiently. In addition, our Company has a centralized business

development team with dedicated representatives who serve selected key accounts in circumstances where clients require a wide variety of services. Furthermore, we adopt an end-to-end system which supports the lifecycle of sales including sales process management, contract negotiation and execution, and subsequent order management. The sales effort of our partners and business development team, together with the support of our end-to-end system, contribute to the smooth operation of our sales activities.

For brand image building, we have a centralized marketing team focusing on branding and marketing activities. We employ a variety of traditional and digital marketing activities to build the brands we use as part of our overall marketing strategy. For example, we organize anniversaries of our Company, industry summits and media events to raise the awareness of the brands we use. We also circulate thought-leadership insights, industry surveys and whitepapers, such as the ManpowerGroup Employment Outlook Survey (MEOS) under agreement with MAN. We maintain an official Manpower *Weibo* account to publicize events and news and share our industry insights. We also maintain a *WeChat* account where we collect resumes, share news and post career stories. Our active engagement in digital marketing, particularly in social media platforms, has opened new channels for business development. In addition, we place emphasis on corporate social responsibility, or CSR, to enhance our market reputation. In 2008, we donated a primary school, Shaanxi Ningqiang Manpower Primary School, to help improve the compulsory education of Ningqiang, Shaanxi. We also take pride in our environmental protection initiatives. For example, before the Earth Day in April 2016, we designed the "Powerman" cartoon figure and developed a mobile game to increase the environmental awareness of the public. During the Track Record Period, we organized several career fair for unemployed people, fresh graduates and returnees.

For 2016, 2017 and 2018, our marketing expenses amounted to RMB1.8 million, RMB3.0 million and RMB2.3 million, respectively.

PRIVACY

We highly value our relationships with clients, employees, candidates, associates and other resources. Therefore, we adopt strict policy to ensure their data privacy is protected in accordance with applicable laws. The general manager of each of our business lines is responsible for ensuring that the data privacy program is implemented. At a local level, a data privacy officer is appointed by the general manager to ensure full implementation of the data privacy policy.

Data privacy and other related policies are mandatory and we have to demonstrate full compliance regularly. All data are managed under our data classification policy which classifies data depending on its nature and apply different security levels accordingly. We ensure that various technical controls, such as encryption, antivirus, firewall and anti-malware software, are implemented and enforced in order to prevent attacks into our systems, databases or servers. In addition, we implement security controls and practices through respective security operations and management teams.

Our information security manager coordinates with third parties, auditors, executive management and other business units to enhance information security across the organization. Enterprise-wide information security programs are conducted regularly to increase general awareness and emphasize on the importance of data security and network security. Our management team is responsible for ensuring all employees and third parties adhere to applicable security measures.

Every user who has access to our databases is required to review and agree to our terms and conditions. We apply strict control on use of data and carve out situations that users are allowed to use the information in the databases. Furthermore, our databases are standalone in every jurisdiction. Users in PRC will not be able to access data in Hong Kong or Taiwan and *vice versa*.

TECHNOLOGY

Infrastructure

Our network infrastructure is designed to satisfy the requirements of our operations, to support the growth of our business and to ensure the reliability of our operations as well as the security of information on our platforms. We have set up separate IT infrastructure from the MAN Group.

Cloud. We have contracted with Alibaba Cloud to use cloud services, including computing, storage, server and bandwidth offerings. Our system infrastructure is hosted in Hangzhou.

Security. Our network configuration is secured at multiple layers to isolate our databases from unauthorized access. To prevent unauthorized access to our system, we utilize a system of firewalls and also maintain a perimeter network to separate our external-facing services from our internal systems. In addition, we adopt secure user identity authentication programs, such as strong password rules, SMS certification and MFA authenticator. To further enhance security, privilege division and segregation are implemented for different user type. Each type of maintenance activity carried out by a system administrator is recorded as a screencast and all user access logs are recorded in the databases to maintain an audit trail. Furthermore, only IT operators can enter the server room using special access card and registration is required for each entry and exit. The gate of the server rooms are monitored and access is restricted to designated IT operators only.

Backup. We back up data on a daily basis in secured data back-up systems to minimize the risk of data loss. We ensure the successful execution of the backup program through email notification and we conduct Disaster Recovery Plan exercises every quarter.

Data and Technology

A key component of the technology capabilities that underpin our client-centric strategy is our development of a comprehensive set of systems which support the provision of our services and automate parts of our operations to increase efficiency. Our sophisticated systems capabilities and adoption of technological solutions enable us to manage a large client and talent base while growing our Company organically.

Our searching and placement system has been developed with a leading third party. It is a cloud-based platform with the capability to conduct big data analysis. We use this platform to automate parts of our services such as candidate search and placement. This system complements the business lifecycle of various services we provide including flexible staffing, headhunting, and RPO.

Our client system is a mobile-phone-based system developed with an external provider which provides cutting-edge solutions to manage client relationships. The client system enables users in our Company to monitor and track large volumes of client interactions.

We have developed a set of systems internally to support our operations including order management system, associates management system and office administration system. These systems are embedded in our business process to ensure operational efficiency at every stage of the business lifecycle.

Our Digital Workforce Platform

As part of our initiative to transition from talent search to talent development, we plan to invest in three major areas to enhance our value. First, we plan to further develop our flexible staffing system and grant access to designated clients, so that clients can be actively involved in the selecting and recruiting process and interact with the candidates easily. We also plan to explore establishing a more open platform for individuals who wish to engage in flexible work, including professional freelancers, such as robot engineers, programmers, teachers and designers, to find part-time employment or internship opportunities in the so-called "gig economy."

Second, we plan to offer more upskill trainings to our own employees, associates and clients' employees. We currently collaborate with certain third parties on our online training platform, woskill. On the woskill platform, we provide multidimensional and diverse training and development programs to business organizations and individuals, helping users develop effective workplace skills and empowering organizations to attract and retain talent by offering effective trainings. Our "woskill" and "WOWtalk" websites provide a display of the training programs on offer, and build in buttons that are linked to separate websites operated by third-party ICP license holders where the training courses are streamed. We plan to develop more training courses and programs on various subjects, such as big data, robotic, languages, sales, management and finance and accounting. We plan to make the training products available on our digital workforce platform.

Third, we plan to provide value-added services to our associates on the digital workforce platform, such as holiday benefits, insurance, medical examinations and teambuilding programs. We may invite third-party vendors to the platform. Leveraging the MAN Group brands and our client relationships, we aim to make our platform a "go-to" place for employers who wish to procure workforce related services and products.

RESEARCH AND DEVELOPMENT

As of December 31, 2018, we had a team of 15 research and development personnel. Our in-house research and development team is primarily responsible for the development, upgrade and maintenance of our internal online platform and IT systems. We incurred RMB7.1 million, RMB9.2 million and RMB9.0 million in research and development expenses in the years ended December 31, 2016, 2017 and 2018, respectively.

COMPETITION

The HR services industry in the Greater China region is highly fragmented, with professional service providers of different sizes and area of expertise competing mainly on quality and scope of service, market reputation and pricing.

The entry barrier to setting up an HR service company is considered low as no substantial capital investment is required. We may face competition from smaller or newly established professional service providers which often compete on price. However, we believe that the main barrier of entry is admission to the approved list of major clients as it takes time to accumulate experience and reputation in the HR services industry. The competition within the HR service industry is intense and we have to compete with international competitors who may have better or longer established reputation, a wider range of services and a longer operating history than us. We also compete with local HR service providers who have deeper roots in the local market and a broader local client network. Nevertheless, we believe that we have a number of competitive advantages which will enable us to compete successfully with competitors.

CUSTOMERS

Our customers include multinational corporations, major locally grown employers and small- to medium-sized employers.

We have a broad base of customers. Our largest customer accounted for 5.5%, 5.5% and 5.4% of our total revenue (including both continuing and discontinued operations) for 2016, 2017 and 2018, respectively. Our top five customers accounted for 15.4%, 16.0% and 17.9% of our total revenue (including both continuing and discontinued operations) for 2016, 2017 and 2018, respectively.

The table below sets forth details of our top five customers in 2018:

Rank	Customer	Background information	Services provided by us	Sales amount	Percentage of total revenue (including both continuing and discontinued operations)	Length of relationship with the Group	Credit term
				(RMB'000)	*(%)*	*(years)*	*(days)*
1	A	A Chinese multinational telecommunication equipment and consumer electronics company	Flexible staffing	169,956	5.38%	6	30 - 75
2	B	An American multinational technology company that develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers, and related services	Flexible staffing	153,591	4.86%	13	30 - 90
3	C	An American multinational technology company that specializes in specialty glass, ceramics, and related materials and technologies	Flexible staffing	83,530	2.65%	12	14 - 90
4	D	A Chinese multinational Conglomerate specializing in e-commerce, retail, Internet and technology	Flexible staffing; Headhunting; Recruitment process outsourcing; Other HR services	80,639	2.55%	11	10 - 30
5	E	An American multinational conglomerate operating in the fields of industry, health care, and consumer goods	Flexible staffing	75,875	2.41%	9	14 - 30
				563,591	17.85%		

The table below sets forth details of our top five customers in 2017:

Rank	Customer	Background information	Services provided by us	Sales amount	Percentage of total revenue (including both continuing and discontinued operations)	Length of relationship with the Group	Credit term
				(RMB'000)	*(%)*	*(years)*	*(days)*
1	B	An American multinational technology company that develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers, and related services	Flexible staffing	135,749	5.48%	13	30 - 90
2	A	A Chinese multinational telecommunication equipment and consumer electronics company	Flexible staffing	75,005	3.03%	6	30 - 75
3	C	An American multinational technology company that specializes in specialty glass, ceramics, and related materials and technologies	Flexible staffing	63,129	2.55%	12	14 - 90
4	E	An American multinational conglomerate operating in the fields of industry, health care, and consumer goods	Flexible staffing	61,333	2.48%	9	14 - 30
5	F	An American multinational information technology company that develops hardware components as well as software and related services	Flexible staffing	60,520	2.44%	18	30 - 90
				395,736	15.98%		

The table below sets forth details of our top five customers in 2016:

Rank	Customer	Background information	Services provided by us	Sales amount	Percentage of total revenue (including both continuing and discontinued operations)	Length of relationship with the Group	Credit term
				(RMB'000)	*(%)*	*(years)*	*(days)*
1	B	An American multinational technology company that develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers, and related services	Flexible staffing	120,982	5.46%	13	30 - 90
2	G	A Chinese company engaged in the research and development, manufacture, sale, and marketing of facial masks and other skincare products	Flexible staffing	75,913	3.42%	3	30
3	H	An American multinational investment bank and financial services corporation	Flexible staffing; Headhunting; Recruiting process outsourcing	53,081	2.39%	19	60
4	F	An American multinational information technology company that develops hardware components as well as software and related services	Flexible staffing	47,627	2.15%	18	30 - 90
5	I	An American multinational information technology company that manufactures and markets computer hardware, middleware and software, and provides hosting and consulting services	Flexible staffing; Other HR services	43,608	1.97%	18	60 - 90
				341,211	15.39%		

All of our five largest customers during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital or had any interest in any of our five largest customers. As of December 31, 2018, we had on average more than 11 years' relationship with our five largest customers.

See "—Our Services—Flexible Staffing" for the key terms of our service contracts with our customers.

SUPPLIERS

Our suppliers primarily include payroll service agencies that perform certain payroll related functions related to our employees, primarily associates, on behalf of us and IT solutions providers.

Our largest supplier accounted for 1.1%, 1.0% and 1.0% of our cost of services (including both continuing and discontinued operations) for 2016, 2017 and 2018, respectively. Our top five suppliers accounted for 2.9%, 3.4% and 3.4% of our cost of services (including both continuing and discontinued operations) for the years ended December 31, 2016, 2017 and 2018, respectively.

The table below sets forth details of our top five suppliers in 2018:

Rank	Supplier	Background information of supplier	Services purchased by us	Purchase amount	Percentage of total cost of services (including both continuing and discontinued operations)	Length of relationship with the Group	Credit term
				(RMB'000)	*(%)*	*(years)*	*(days)*
1	A	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	25,173	0.99%	6	N/A
2	B	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	19,211	0.75%	2	5
3	C	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	18,198	0.71%	3	N/A
4	D	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	11,973	0.47%	1	5

Rank	Supplier	Background information of supplier	Services purchased by us	Purchase amount	Percentage of total cost of services (including both continuing and discontinued operations)	Length of relationship with the Group	Credit term
				(RMB'000)	*(%)*	*(years)*	*(days)*
5	E	Recruitment, employment, advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	10,961	0.43%	6	30
				85,516	3.35%		

The table below sets forth details of our top five suppliers in 2017:

Rank	Supplier	Background information of supplier	Services purchased by us	Purchase amount	Percentage of total cost of services (including both continuing and discontinued operations)	Length of relationship with the Group	Credit term
				(RMB'000)	*(%)*	*(years)*	*(days)*
1	F	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	20,119	1.02%	3	N/A
2	A	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	13,357	0.67%	6	N/A
3	C	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	12,208	0.62%	3	N/A
4	B	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	11,731	0.59%	2	5
5	G	IT solutions provider	IT outsourcing	9,599	0.48%	3	60
				67,014	3.38%		

The table below sets forth details of our top five suppliers in 2016:

Rank	Supplier	Background information of supplier	Services purchased by us	Purchase amount	Percentage of total cost of services (including both continuing and discontinued operations)	Length of relationship with the Group	Credit term
				(RMB'000)	*(%)*	*(years)*	*(days)*
1	H	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	20,541	1.14%	4	N/A
2	I	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	9,460	0.53%	6	N/A
3	J	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	7,650	0.43%	7	N/A
4	K	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	7,234	0.40%	6	N/A
5	L	Recruitment, employment advertising, human resources outsourcing, labor security agency	Payroll and mandatory employment contributions payment service	6,428	0.36%	4	N/A
				51,313	2.86%		

As of December 31, 2018, we owned a 6.67% equity interest in Supplier D. Except for that, all of our five largest suppliers during the Track Record Period were independent third parties and, as of the Latest Practicable Date, none of our Directors, supervisors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers. As of December 31, 2018, we had on average a nearly four years' relationship with our five largest suppliers.

The key terms of our service contracts with our top five suppliers are as follows:

- *Scope of services.* Services provided by the supplier, including but not limited to employee onboarding, termination of employment, payroll and mandatory employment contributions calculation and payment.

- *Licenses and permits.* The supplier has obtained and maintained all necessary licenses and permits for the provision of such services.

- *Fees and payment.* The contract sets out payment obligations of the supplier and details of payment are stated in the appendix. In most circumstances, the supplier shall pay a penalty for delay of service provision. Additional services required by us will be inserted to the contract as an addendum.

- *Contracting party's obligations.* The supplier is required to produce an itemized invoice periodically to us for approval. We shall pay the supplier within a designated period after an invoice has been issued. We usually pay in multiple installments *per annum*.

- *Contract term.* The contract sets out an effective date and typically lasts for two years. The contract is typically terminable with or without cause provided that notice has been served in accordance to the contract.

SUBCONTRACTING

We outsource our online training services, certain payroll services related to our employees, primarily associates, and a small proportion of our headhunting service to third party vendors. Our subcontractors specialize in the services they perform and operate in an efficient manner. We believe such subcontracting arrangements enable us to leverage the resources and expertise of subcontractors, lower our operating costs, improve service quality and efficiency and improve the overall profitability of our operations. In the years ended December 31, 2016, 2017 and 2018, subcontracting costs amounted to RMB12.9 million, RMB20.2 million and RMB21.3 million, respectively, representing 1.0%, 1.3% and 0.8% of our total cost of services (including continuing and discontinued operations).

As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our five largest subcontractors.

Selection and Management of Subcontractors

We maintain a list of qualified subcontractors. For each subcontractor included in the list, we track its background, qualifications and past performance in providing subcontracted services to us. Our list of qualified sub-contractors is subject to periodic review. After a selected subcontractor commences to provide the contracted services, we regularly monitor and evaluate its performance. We have the right to terminate the agreement with subcontractors who repeatedly delivered substandard performance and remove such subcontractor from our list of qualified subcontractors.

Key Terms of our Subcontracting Agreement

For the key terms of sub-contracting agreements entered into between our major independent sub-contractors and us, see "—Suppliers."

EMPLOYEES

Our employees include our own employees and associates. Our "own employees" refer to the employees for our own business, such as operations, finance and IT, excluding those for flexible staffing assignments. "Associates," on the other hand, are those who are assigned to work on client premises, typically under client instruction and supervision during the term of deployment, instead of working within our own organization.

Our Own Employees

Our human resources department is responsible for the general management of recruiting, managing and training our employees. As of December 31, 2018, we had 1,375 of our own employees.

The following table sets forth the number of our own employees by function as of December 31, 2018:

Function	Number of Employees	% of Total
Operation	1,237	90.0%
Finance	65	4.7%
IT	20	1.5%
Marketing	8	0.6%
Legal	7	0.5%
Others	38	2.7%
	1,375	100%

The following table sets forth the number of our own employees by location as of December 31, 2018:

Location	Number of Employees	% of Total
Shanghai	537	39.1%
Beijing	136	9.9%
Guangzhou	68	4.9%
Shenzhen	61	4.4%
Hong Kong and Macau	197	14.3%
Taiwan	130	9.5%
Others[(1)]	246	17.9%
	1,375	100%

Note:

(1) Others include Chengdu, Dalian, Foshan, Nanjing, Suzhou, Tianjin, Changshu, Hangzhou, Wuhan, Shantou, Wuxi, Shaoxing, Hefei, Jinjiang and Xi'an.

Each of our major business lines is actively involved in the recruitment of its own operation team, and our HR department leads in the recruitment of supporting staff, such as administrative, financial, IT and HR staff. In general, we recruit employees through online channels including social networking platforms, referrals and on-campus recruitment. Our screening and selection processes primarily include (i) review and screening of resumes by our human resource department, (ii) selection of resumes by the recruiting department, and (iii) face-to-face interviews by the human resource department and the recruiting department. We make hiring decisions after taking into account a number of factors, including education background, past work experience, skills and personalities.

We conduct training for new staff and have periodic training for our full-time employees. Generally, our training focuses on developing the skills relevant to their work. For example, we designed a comprehensive onboarding training for new joiners to introduce them to different departments in our Company, our company culture and career progression available within the Company. Staff in other services, such as flexible staffing, headhunting and RPO, receive trainings relevant to their business lines including order taking skills, sales and marketing skills and partnership training.

The remuneration package for our own employees generally includes salary and bonuses. We determine employee remuneration based on factors such as qualifications and years of experience. Employees also receive welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items. We have established labor unions in the PRC to protect employees' rights, help us achieve our economic goals and encourage employees to participate in our management decisions.

Associates

In addition to our own employees, we also hire associates and place them to our flexible staffing clients. We employ selected candidates as associates on a contract basis. Most of our associates are cross-trained in multiple aspects of staffing as we provide relevant training to help associates adapt to clients' positions quickly, including trainings on computer skills and other soft skills. Training we offer gives associates the ability to assist our clients in different positions and departments, furthermore, it helps associates find better positions through talent upskill.

Social Welfare

We are responsible for social welfare contributions (including retirement, medical, work-related injury, maternity and unemployment benefits and housing provident funds) for our employees, including both our own employees and associates (including both regular-hire and labor-dispatch associates) in compliance with applicable PRC laws and regulations. During the Track Record Period, we paid the social welfare contributions primarily through our own account, and to a lesser extent through payroll service agencies mainly in cities where we had not established a presence for providing flexible staffing service. Such payroll service agencies were not responsible for the recruitment or the employment of our employees. As confirmed by the PRC Legal Advisors, during the Track Record Period, we were in compliance with the social welfare contribution requirements under applicable PRC laws and regulations in all material respects.

In Hong Kong, Macau and Taiwan, the legal relationship is relatively simple, as parties are generally free to contract. During the Track Record Period and up to the Latest Practicable Date, as confirmed by the Hong Kong, Macau and Taiwan Legal Advisors, we had discharged employment benefit obligations in these jurisdictions applicable to us in all material respects.

INSURANCE

We maintain business interruption insurance, commercial general liability insurance, property all risks insurance, employer liability insurance and employee comprehensive welfare insurance, which are not mandatory under PRC laws. We also maintain medical insurance for our key personnel. We believe our insurance coverage is in line with or ahead of the general market practice. During the Track Record Period, we did not make any material insurance claims in relation to our business.

PROPERTIES

Owned properties

As of the Latest Practicable Date, we owned one parcel of land in China with a site area of approximately 1,681 sq.m and one residential property in China with a GFA of approximately 257 sq.m. used as office space. As of the Latest Practicable Date, we had obtained all title certificates for our own properties.

The carrying amount of our property interests, as defined in Rule 5.01(3) of the Listing Rules, accounted for less than 1% of our total assets as of December 31, 2018, the latest date of our financial statements. As such, we have not included a property valuation report in this prospectus.

Leased properties

As of the Latest Practicable Date, we rented a total of 34 properties for use as office and warehouse in various locations in China with an aggregate GFA of approximately 12,583 sq.m. As of the Latest Practicable Date, we had not registered the lease agreements for 31 of our leased properties with the local housing administration authorities as required under PRC law, primarily due to (i) lack of cooperation from our landlords in registering the relevant lease agreements and (ii) the fact that title certificates and proofs of ownership were not obtained by our landlords for certain of our leased properties. Both (i) and (ii) were factors beyond our control. Our PRC Legal Advisors have advised us that we might be ordered to rectify this failure to register by competent authorities and if we fail to rectify within a prescribed period, a penalty of RMB1,000 to RMB10,000 per agreement may be imposed as a result. The estimated total amount of potential penalty for our failure to register our lease agreements is approximately RMB31,000 to RMB310,000. As of the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of our failure to file the lease agreements described above. Our PRC Legal Advisors have also advised us that the failure to register the lease agreements would not affect the validity of the lease agreements, and our Directors are of the view that such non-registration would not have a material adverse effect on our business operations or constitute a material legal obstacle for the Listing. For more information on the risks related to our non-filing, see the section headed "Risk Factors—Risks Relating to Our Business and Industry—We face certain risks relating to the real properties that we lease" in this prospectus.

In relation to the six leased properties for which our landlords did not provide us with the title certificates and proofs of ownership, our PRC Legal Advisors have advised that we are unable to ascertain whether our landlords have the legal right or requisite authority to lease such properties to us, whether such properties are subject to mortgages or third-party rights, or whether such leases are subject to challenge by third parties. In the event that we are required to relocate from those six leased properties, given the nature of our operation, we do not believe that relocation would result in material disruptions to our business. Moreover, replacement premises for the leased properties without title certificates and proofs of ownership are readily available. Although we may incur additional relocation costs, our Directors are of the view that this would not have any material impact on our business, financial position and results of operations.

As of the Latest Practicable Date, we rented a total of six properties for use as office in various locations in Taiwan. As advised by our Taiwan Legal Advisors, such leases are held by us under legal, valid and enforceable lease agreements which do not contain any imperative or prohibitive provision which would cause the respective lease to be void under Taiwan's Civil Code, and the leasing of real properties in Taiwan does not require any permit or registration.

As of the Latest Practicable Date, we rented a total of 13 properties for use as office and storage in various locations in Hong Kong. As advised by our Hong Kong Legal Counsel, all our lease agreements in Hong Kong are legal, valid and enforceable. As of the Latest Practicable Date, all our lease agreements in Hong Kong had been duly registered and stamped.

As of the Latest Practicable Date, we rented a total of two properties for use as office in various locations in Macau with an aggregate GFA of approximately 103 sq.m. As advised by our Macau Legal Advisors, all our lease agreements in Macau are legal, valid and enforceable.

AWARDS AND RECOGNITIONS

During the Track Record Period, we have received recognition for the quality and popularity of our products and services. Some of the significant awards and recognition we have received are set forth below.

Award	Year(s)	Awarding Entity
The Best Comprehensive HR Service Provider in Greater China (Foreign Company/Joint Venture) (大中華區最佳綜合人力資源服務機構(外資／合資))	2018	HRoot
Industry Most Influential Brand (行業影響力品牌)	2018, 2017, 2016	China Finance Summit
Best HR Service Organization (最佳人力資源服務機構)	2018	HR Salon
China Top 10 Sales Training Solution Providers	2018	China Learning & Development Solution Provider Value Awards
China Top 10 Corporate Language Training Solution Providers	2018, 2017	China Learning & Development Solution Provider Value Awards
Best Strategic Partner (最佳戰略合作夥伴)	2018	Schindler Talent Acquisition Vendor Awards
Gold Medal Service (金牌服務)	2018	Alibaba

Award	Year(s)	Awarding Entity
Best Partner Bronze	2018	Alibaba
New Retail Industry MVP (新零售MVP)	2018	Alibaba
Borderless Cooperation (無界合作)	2018	JD Talent Acquisition Vendor Awards
The Best HR Hunting Provider in Greater China (Foreign Company/Joint Venture) (大中華區最佳人才尋獵服務機構(外資／合資))	2017	HRoot
China Top 10 Recruitment Process Outsourcing Service Providers	2017	China Recruiting & Staffing Solution Provider Value Awards
Asia-Pacific Human Resources Service Leading Enterprise Award (亞太人力資源服務領軍企業獎)	2018, 2016, 2015	Asia Pacific Human Resources Development and Service Fair Organizing Committee
China HR Pioneer Awards – Most Influential Outsourcing Provider	2017	TopHR
Metro Award for Services Excellence – Excellent HR Management and Recruitment Services (都市傑出服務大獎 – 傑出人才管理及招聘服務大獎)	2017	Metro Daily and Metro Prosperity
The 71st Gold Award Excellent Foreign Company (金商獎優良外商公司)	2017	General Chamber of Commerce of Taiwan
The Best HR Management Coach Provider in Greater China (大中華區最佳管理教練服務機構)	2017	HRoot
Most Important Partner for 2017 (2017年度最重要合作伙伴)	2017	Alibaba
Best Supplier (最佳供應商)	2016	Huawei

Award	Year(s)	Awarding Entity
Excellent RPO Service Provider (RPO 優秀供應商)	2016	Sohu
The Best HR Outsourcing Provider in Greater China (Foreign Company) (大中華區最佳人力資源外包機構(外資))	2016	HRoot
The Best Training Organization of the Year (年度最佳培訓機構)	2016	TopHR
Outstanding Provider of Talent Development Service	2016	China Human Resource Development Association
Most Influential Foreign Language Training Brand, Most Trusted Vocational Education Brand	2016	The NetEase Golden Wings
Best Partner (最佳合作夥伴)	2016	Amorepacific China
Best Service Provider of China Human Resource Development & Management	2015	China Human Resources Development Research Association
National Human Resource Integrity Services Model	2015	Ministry of Human Resources and Social Security of the PRC

HEALTH, OCCUPATIONAL SAFETY AND ENVIRONMENTAL MATTERS

Because of our business nature, we are not subject to any specific rules or regulations in relation to environmental protection matters. In addition, we have taken measures to facilitate the environmental friendliness of our workplace by encouraging a recycling culture within our Group.

We are not subject to significant health or safety risks. To ensure compliance with applicable laws and regulations, from time to time, our human resources department would, if necessary and after consultation with our legal advisors, adjust our human resources policies to accommodate material changes to relevant labor and safety laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental regulations.

LEGAL PROCEEDINGS AND COMPLIANCE

We are involved in legal or other disputes in the ordinary course of business in the jurisdictions in which we operate. Most of the legal proceedings initiated by us involve contractual claims against our clients. The legal proceedings against us primarily include labor claims brought by our employees. During the Track Record Period and up to the Latest Practicable Date, none of our Directors was involved in the above claims and proceedings.

During the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable laws and regulations in Greater China in all material aspects and there were no litigation or arbitration proceedings or administrative proceedings pending or threatened against us or any of our Directors which would have a material adverse effect on our business, financial position or results of operations, nor did we have any material non-compliance.

OUR CASH MANAGEMENT POLICY

Cash and Investments

We have a cash and investments system to manage the cash inflows and outflows of our subsidiaries and branches in the ordinary course of business. We monitor the cash management process of our subsidiaries and branches. The opening of all new bank accounts must be approved by our Finance Director in advance. Our Chief Finance Officer maintains a list of approved counterparty banks and our subsidiaries are strongly encouraged to conduct banking activities through such banks. Furthermore, our subsidiaries are encouraged to use dual signatories for all bank accounts to enhance internal control and the number of bank accounts should be limited to improve efficiency.

Cash management policies and procedures

Reconciliations	Reconciliations between the general ledger book balance and bank balance must be completed within 30 days of each month-end by a person independent of cash disbursement function.
Authorized Signers	All bank accounts must have at least two authorized signers. The General Manager and Finance Director of the legal entity that owns the bank account must be signers.
Disbursements	Disbursements from bank accounts must be organized to ensure that no unauthorized payments are made, complete and accurate records are made of each payment and payments are recorded in the appropriate period and properly reviewed.

Bank Transfer Authorizations	Check, wire or bank transfer authorizations must be signed by authorized signatories. An authorized signatory cannot be the same person who approved the transaction for payment. The authorized signatory must examine the original supporting documents to ensure that each item has been approved.

Investments

Short-term cash balances must be invested in an order of importance set out in our policy. All investments must be approved by our Chief Financial Officer. The Group Shared Service Center maintains a complete and up to date inventory of investments.

Cash Forecasting

All entities are required to maintain cash forecasts. The forecasts should reflect anticipated cash receipts and cash payments in order to predict future funding needs or excess cash balances. The Group Treasury is responsible for monitoring the cash position of each entity.

RISK MANAGEMENT AND INTERNAL CONTROL

According to the result of the internal control review conducted during October 2018 to November 2018 and the result of the follow-up review conducted during December 2018 to January 2019 performed by our independent internal control consultant, no material internal control deficiencies have been identified. Key risks relating to our business are set out in the section headed "Risk Factors" in this prospectus. Our Directors are of the view that policies established and internal control measures implemented are adequate and sufficient to prevent such risks from inflicting material adverse impact on our business, operations and financial performance.

LICENSES AND PERMITS

We are required to obtain various licenses, permits and certifications for our operations. As advised by our PRC Legal Advisors, Taiwan Legal Advisors, Macau Legal Advisors and Hong Kong Legal Counsel, during the Track Record Period and up to the Latest Practicable Date, we had duly obtained and maintained all major licenses, permits and certificates required by applicable laws and regulations for our operations.

The table below sets forth our licenses and permits relating to our operations in the relevant jurisdictions as of the date of this prospectus:

Certificate/License/Permit	Holder	Jurisdiction	Registered Number	Grant Date	Expiration Date
Human resources service license	Manpower China	PRC	滬浦人社3101150100255號	April 10, 2019	April 10, 2024
Labor dispatch business license	Manpower China	PRC	浦人社派許字第00479號	April 9, 2019	July 11, 2022
Human resources service license	Manpower China –Beijing Branch	PRC	1101012003103	April 15, 2019	April 14, 2024
Human resources service license	Manpower China –Suzhou Branch	PRC	320500000052	December 18, 2017	December 17, 2020
Human resources service license	Manpower China –Tianjin Branch	PRC	120103113034	May 29, 2018	May 28, 2023
Human resources service license	Manpower China –Changshu Branch	PRC	320581000159	May 13, 2019	May 12, 2024
Human resources service license	Manpower Enterprise Management	PRC	滬靜人社3101060100005號	April 10, 2019	April 10, 2024
Labor dispatch business license	Manpower Enterprise Management	PRC	靜人社派許字第00049號	June 23, 2017	August 5, 2019 (1)
Human resources service license	Manpower Ruixin	PRC	440682221060	August 21, 2018	August 20, 2021
Human resources service license	Experis Shanghai	PRC	滬浦人社3101150100026號	April 10, 2019	April 10, 2024
Human resources service license	Experis Shanghai –Chengdu Branch	PRC	510000131003	May 3, 2019	May 2, 2024
Human resources service license	Experis Shanghai –Guangdong Branch	PRC	440000000004	April 16, 2019	March 31, 2024
Human resources service license	Experis Beijing	PRC	1101012014350	April 17, 2019	April 16, 2024
Human resources service license	Manpower Information Technology	PRC	滬靜人社3101060100066號	April 10, 2019	April 10, 2024
Human resources service license	Xi'an Fesco	PRC	610100190787	May 10, 2019	May 9, 2024

Certificate/License/Permit	Holder	Jurisdiction	Registered Number	Grant Date	Expiration Date
Labor dispatch business license	Xi'an Fesco	PRC	陝勞派許字第201302005號	October 13, 2016	October 12, 2019
Human resources service license	Xi'an Fesco No. 1 Branch	PRC	610100080014	July 20, 2016	July 19, 2019 (1)
Human resources service license	Xi'an Fesco No. 2 Branch	PRC	610100080024	July 20, 2016	July 20, 2019 (1)
Human resources service license	Xi'an Fesco No. 4 Branch	PRC	610100060015	July 20, 2016	July 19, 2019 (1)
Labor dispatch business branch record-filing	Manpower China –Suzhou Branch	PRC	N/A	N/A	July 11, 2022
Labor dispatch business branch record-filing	Manpower China –Changshu Branch	PRC	2017008	September 29, 2017	N/A
Labor dispatch business branch record-filing	Manpower Enterprise Management –Beijing Branch	PRC	京朝人社派備字[2018]6號	August 17, 2018	N/A
Labor dispatch business branch record-filing	Xi'an Fesco –Xixian Branch	PRC	澧東人社人備字[2018]001號	March 29, 2018	N/A
Employment agency license	Manpower Services HK	Hong Kong	59146	May 15, 2019	May 14, 2020
Employment agency license	Legal Futures (HK) Limited	Hong Kong	56502	June 19, 2019	June 18, 2020
Employment agency license	Manpower Services HK – Experis	Hong Kong	58274	January 9, 2019	January 8, 2020
Private employment service agency license	Manpower Services Taiwan	Taiwan	私業許字第1974號	September 6, 2017	September 9, 2019
Private employment service agency branch office license	Manpower Services Taiwan –Kaohsiung Branch	Taiwan	私業許字第1974-1號	September 6, 2017	September 10, 2019
Private employment service agency branch office license	Manpower Services Taiwan –Taichung Branch	Taiwan	私業許字第1974-2號	September 6, 2017	September 10, 2019
Recruitment agency license	Manpower Services Macau	Macau	12/2008	March 27, 2019	March 26, 2020

Note:

(1) The license holders have applied for the renewal of these licenses. As confirmed by the PRC Legal Advisors, the license holders are not subject to any legal impediment in view of their continuous compliance with the regulatory requirements relating to the renewal.

We shall submit application to renew our licenses before their expiry in accordance with relevant laws and regulations. We do not expect any legal impediment to renew these licenses upon their expiration. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any instances of suspension or revocation of requisite licenses, permits and approvals granted to us that were material to our operations.

Under relevant PRC laws and regulations, foreign investment in an enterprise that provides value-added telecommunication services under an ICP license shall not exceed 50% of its total equity interest. One of our subsidiaries has entered into agreements with certain independent third parties that own ICP licenses. The sole shareholder of one of such third parties is our employee who is not a connected person of our Company. Under the agreements, our subsidiary subcontracts its online training services to such third parties. Our subsidiary enters into contracts with clients and selects trainers. The third party license holders are responsible for the display and streaming of our training courses and providing IT support related to our online training services and our subsidiary provides the third-party license-holders with the trainers required for the training courses. Our subsidiary pays the third-party ICP license holders a fixed service fee or a fixed percentage based on the relevant cost incurred, and there is no profit/loss sharing arrangement between our subsidiary and the third-party ICP license holders. The terms of the agreement with the ICP license holder controlled by our employee are in line with that with other independent third parties.

Our PRC Legal Advisors are of the opinion that such arrangement does not violate the requirements under applicable laws and regulations of the PRC based on the following reasons: (i) the agreements between our subsidiary and the third-party ICP license holders are duly signed and legally binding; (ii) the ICP licenses held by third-party ICP license holders are verified and confirmed to be sufficient for the provision of services under the agreements in relation to our online training service; (iii) PRC laws and regulations do not prohibit entities from entrusting third-party ICP license holders, including holders controlled by such entity's employees, to provide commercial Internet information services; (iv) the third-party ICP license holders engaged by our Group, including the ICP holder controlled by our Group's employees, have been licensed by relevant communication administration to provide commercial internet information service and have legal right and corporate power to enter into relevant agreements with our Group under PRC laws and regulations. Further, based on the consultation with Guangdong Communication Administration (廣東省通信管理局), which is the competent governmental authority, the Guangdong Communication Administration confirmed that an entity may enter into agreements with third party ICP license holders, including holders controlled by such entity's employees, for the provision of online training services.

For risks associated with such arrangement, see the section headed "Risk Factors—Risks Relating to Our Business and Industry—We rely on third parties' ICP licenses and any deterioration of our relationship may materially and adversely affect our operations." Our Directors believe that there are sufficient license holders on the market with whom we may seek cooperation on commercially reasonable terms.

This section sets out summaries of the relevant laws and regulations which are material to our business in the PRC, Hong Kong and Taiwan.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN THE PRC

Regulations Relating to HR Services

HR services agencies in China are mainly regulated by the PRC Ministry of Human Resource and Social Security (the "**MOHRSS**"). Pursuant to the Provisions on Talent Market Administration (人才市場管理規定) jointly promulgated by the PRC Ministry of Personnel and the SAIC on September 11, 2001 and latest amended on April 30, 2015 by the MOHRSS, any entity providing talent intermediary services in China must obtain a HR services license from the local Administration of Human Resources and Social Security. HR services agencies may engage in the following businesses: (1) collection, processing, storage and publication of information about HR supply and demand, and relevant consulting services; (2) Internet-based job information services; (3) candidate recommendation; (4) recruitment; (5) candidate training; (6) candidate appraisal; and/or (7) other businesses stipulated in relevant PRC rules and regulations.

Based on the HR Interim Provisions, which was promulgated on September 4, 2003 and became effective on November 1, 2003 and subsequently amended on May 24, 2005 and April 30, 2015, in the case of foreign investors engaged in talent intermediary services or other related services intending to launch talent intermediary services agencies in the PRC, they are required to set up joint ventures with PRC talent intermediary services agencies, and obtain HR Service Licenses from the competent authorities. Pursuant to the HR Interim Provisions, for the establishment of a Sino-foreign joint venture talent intermediary services agency, domestic investors shall hold no less than 51% equity interests in such agency, and foreign investors shall hold no less than 25% equity interests in such agency. Manpower China was established as a joint venture talent intermediary agency on March 18, 2003, which was before the implementation of the HR Interim Provisions, and Manpower Holdings (as a foreign investor) held more than a majority of the equity interest in Manpower China. The HR Interim Provisions had no retrospective effect on the then existing joint venture talent intermediary agencies established prior to the implementation of the HR Interim Provision and did not require them to adjust their shareholding structure accordingly. Therefore, as advised by our PRC Legal Advisors, Manpower China was legally established as a joint venture under the then applicable PRC laws and regulations.

On January 1, 2008, the Supplementary Provisions for the Interim Administrative Provisions for Sino-Foreign Equity Joint Venture Talent Intermediary Service Agencies (關於《中外合資人才中介機構管理暫行規定》的補充規定) (the "**Supplementary Provisions for the HR Interim Provisions**") became effective, which removed the limit on the proportional ratio of equity interests in a joint venture talent intermediary agency in the case where it is invested by a Hong Kong or Macau service provider as the foreign investor. Service providers from Hong Kong or Macau are permitted to establish talent intermediary agencies in the PRC wholly owned by those service providers since January 1, 2008. Service providers from Hong Kong or Macau shall respectively be in conformity with the definition of "service provider" and the requirements of the relevant provisions in the Mainland and Hong Kong Closer Economic Partnership Arrangement or the Mainland and Macau Closer Economic Partnership

Arrangement. After the requirement on the proportional ratio of equity interests on Hong Kong service providers invested talent intermediary agencies being removed, Manpower Services HK became the sole shareholder of Manpower China as allowed under the Supplementary Provisions for the HR Interim Provisions. As advised by our PRC Legal Advisors, Manpower China has obtained all the necessary governmental approvals, filings or registrations required by applicable PRC laws and regulations for the above change of shareholding structure. During the Track Record Period and up to the Latest Practicable Date, Manpower China duly held the HR Service License issued by the competent personnel administrative department in the PRC.

Based on the above, our PRC Legal Advisors are of the view that our Group is not subject to the requirements under the HR Interim Provisions that require foreign investors to set up joint venture talent intermediary agencies in the PRC and the domestic investors shall hold no less than 51% equity interests in the relevant Sino-foreign joint venture.

On June 29, 2018, the State Council promulgated the Interim Regulations on Human Resources Market (人力資源市場暫行條例), which became effective on October 1, 2018. HR service institutions are classified into two categories, namely, public HR service institutions and commercial HR service institutions. Public HR service institutions shall refer to the public employment and talent services institutions established by the People's governments at or above county level. Commercial HR service institutions shall refer to the institutions legally established and engaging in business activities in HR services. To engage in employment intermediary activities, a commercial HR service institution shall apply to the administrative department of human resources and social security for an administrative permit in accordance with the law and obtain a HR Service License. Where a commercial HR service institution engages in the business of HR services such as collection and release of the information on supply and demand of HR, guidance of employment and entrepreneurship, consultation on HR management, assessment of HR, training on HR and acceptance of outsourcing of HR services, it shall go through record-filing with the administrative department of human resources and social security within 15 days from the date of commencement of the business.

In addition, according to the Provisions on Talent Market Administration and the Interim Regulations on Human Resources Market, as a HR service agency, the basic information and recruitment information such as number of employees to be recruited, recruitment conditions, work responsibilities, work place and basic labor remuneration released to the public or provided to the HR service institution by the employer shall be authentic and lawful and shall not contain any discriminatory information in the aspects such as nationality, race, sex or religious belief. We are prohibited from providing false information, making false promises and publishing false recruitment advertisement. According to the Contract Law of the PRC (中華人民共和國合同法) (the "**Contract Law**") promulgated by the National People's Congress (全國人民代表大會) (the "**NPC**") on March 15, 1993 and became effective on October 1, 1993, an intermediation contract is defined as a contract whereby an intermediary presents to its client an opportunity for entering into a contract or provides the client with other intermediary services in connection with the conclusion of a contract, and the client pays the intermediary service fees. Pursuant to the Contract Law, an intermediary must provide authentic information relating to the proposed contract. If an intermediary intentionally conceals any material fact or provides false information in connection with the performance of the proposed contract, which results in harm to the client's interests, the intermediary may not claim service fees and is liable for the damages caused. Our business of connecting individual users with business customers constitutes an intermediary service, and our contracts with business customers are intermediary contracts under the Contract Law.

Pursuant to the Implementing Measures for Labor Dispatch Administrative Licensing (劳務派遣行政許可實施辦法), which was promulgated by the MOHRSS on June 20, 2013 and became effective on July 1, 2013, to engage in labor dispatch (劳務派遣) business, an applicant shall apply for administrative licensing in accordance with the law to the competent administrative department of human resources and social security at its domicile. No entity and individual may engage in labor dispatch business without being licensed. Where the application submitted by an applicant satisfies statutory conditions, the relevant licensing authority shall grant the Labor Dispatching Business License to the applicant.

On January 24, 2014, the MOHRSS promulgated the Labor Dispatch Provisions, which became effective on March 1, 2014. Pursuant to the Labor Dispatch Provisions, a labor dispatch services provider shall fulfill the following obligations towards a dispatched worker: (1) truthfully inform the dispatched worker of the matters prescribed by the Labor Contract Law, the rules and regulations to be complied with, as well as the contents of the relevant labor dispatch agreement; (2) establish a training system to provide job-related knowledge training, and safety and education training for the dispatched worker; (3) pursuant to relevant provisions of the PRC and the relevant labor dispatch agreement, pay labor remunerations and relevant benefits to the dispatched worker in accordance with the law; (4) pursuant to relevant provisions of the PRC and the relevant labor dispatch agreement, contribute social insurance premiums for the dispatched worker in accordance with the law, and go through relevant formalities relating to social insurance; (5) urge the relevant employer to provide labor protection, and labor safety and health conditions for the dispatched worker in accordance with the law; (6) issue the proof for rescission or termination of the relevant labor contract in accordance with the law; (7) assist in handling the disputes between the dispatched worker and the employer; and (8) deal with other matters prescribed by laws, regulations and rules.

Regulations Relating to Employment and Social Welfare

The Labor Law which was promulgated on July 5, 1994, became effective on January 1, 1995 and amended on August 27, 2009, sets out the regulatory framework and the principles for the rights and obligations of the employers and employees. Pursuant to the Labor Law employees are entitled to fair employment, choice of occupation, labor remuneration, leave, a safe workplace, a sanitation system, social insurance and welfare and certain other rights. The working time for employees may not exceed eight hours a day and no more than 44 hours a week on average. Employers shall establish and improve their work safety and sanitation system, educate employees on safety and sanitation and provide employees with a working environment that meets the national work safety and sanitation standards.

Labor Contract

The Labor Contract Law was promulgated on June 29, 2007 and amended on December 28, 2012, became effective on January 1, 2008. According to the Labor Contract Law, labor contracts must be executed in writing to establish labor relationships between employers and employees. Employees who fulfill certain criteria, including having worked for the same employer for 10 years or more, may demand that the employer execute a permanent labor contract. Wages paid by employers may not be lower than the local minimum wage. Both employers and employees must perform their respective obligations stipulated in the labor contracts. Where workers are provided by a staffing company, the staffing company is the employer and performs the legal

obligations of an employer toward the dispatched workers, including, among others, entering into a labor contract with a fixed term of more than two years with the workers and paying remuneration for their labor. The staffing company must conclude a labor dispatch agreement with the entities that receive labor services. In the event of a violation of any legal provisions of the Labor Contract Law, administrative penalties may be imposed on employers by the competent PRC government authority in charge of labor administration, including warnings, rectification orders, fines, orders for payment of wages and compensation to employees, revocation of business licenses and other penalties. An entity receiving workers from a staffing company may be held jointly and severally liable together with the staffing company in case harm is done to workers as a result of such entity's violation of the Labor Contract Law.

On December 29, 2007, the Standing Committee of the NPC promulgated the Law of the People's Republic of China on Labor-dispute Mediation and Arbitration (中華人民共和國勞動爭議調解仲裁法), according to which, when a labor dispute arises and the parties are not willing to have a consultation, or the consultation fails, or the settlement agreement reached is not performed, they may apply to a mediation institution for mediation. Where the parties are not willing to have mediation, or the mediation fails, or the mediation agreement reached is not performed, they may apply to a labor-dispute arbitration commission for arbitration. Where they are dissatisfied with the arbitral award, they may initiate a litigation to a People's court, unless otherwise provided for in this law.

The PRC Employment Promotion Law (中華人民共和國就業促進法), which became effective on January 1, 2008 and was further amended on April 24, 2015, requires that individuals have equal employment opportunities, both in hiring and in employment terms, without discrimination on the basis of ethnicity, race, gender, religious belief, communicable disease or domicile. Under this law, enterprises are also required to provide employees with vocational training. Administrative authorities at the county level or above are responsible for implementing policies to promote employment.

Social Welfare

The mandatory social insurances that PRC employers shall provide for its employees include pension insurance, basic medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. Besides the social insurances, a PRC employers shall also pay housing provident fund for its employees.

Pursuant to the PRC Social Insurance Law (中華人民共和國社會保險法) promulgated on October 28, 2010, which became effective on July 1, 2011, the Interim Regulations Concerning the Collection and Payment of Social Insurance Premiums (社會保險費征繳暫行條例) promulgated and implemented on January 22, 1999, the Interim Measures Concerning the Maternity Insurance of Employees of an enterprise (企業職工生育保險試行辦法) promulgated on December 14, 1994 and implemented on January 1, 1995, the Regulations on Work-related Injury Insurance (工傷保險條例), which were promulgated by the State Council on April 27, 2003 and became effective on January 1, 2004, as amended on December 20, 2010, and the Unemployment Insurance Regulations (失業保險條例), which were promulgated by the State Council on January 22, 1999 and became effective on the same day, employers in the PRC must register with the relevant social insurance authority and make contributions to the pension insurance fund, basic medical insurance fund, unemployment insurance fund, maternity insurance fund and

work-related injury insurance fund. Pursuant to the PRC Social Insurance Law, pension insurance, basic medical insurance and unemployment insurance contributions must be paid by both employers and employees, while work-related injury insurance and maternity insurance contributions must be paid solely by employers. An employer must declare and make social insurance contributions in full and on time. The social insurance contributions payable by employees must be withheld and paid by employers on behalf of the employees. Employers who fail to register with the social insurance authority may be ordered to rectify the failure within a specific time period. If the employer fails to rectify the failure to register within a specified time period, a fine of one to three times the social premium that should be paid may be imposed. If the employer fails to make social insurance contributions on time and in full, the social insurance collecting agency shall order the employer to make up the shortfall within the prescribed time period and impose a late payment fee amounting to 0.05% of the unpaid amount for each day overdue. If the non-compliance continues, the employer may be subject to a fine ranging from one to three times the unpaid amount owed to the relevant administrative agency.

On July 20, 2018, the General Office of the Communist Party of China and the General Office of the State Council of the PRC issued the Tax Reform Plan. Under the Tax Reform Plan, beginning from January 1, 2019, tax authorities are responsible for the collection of social insurance contributions in the PRC. Pursuant to the Urgent Notice on Effectively Implementing the Spirit of the Standing Meeting of the State Council and Effectively Conducting the Collection of Social Insurance Premiums in a Stable Manner (關於貫徹落實國務院常務會議精神切實做好穩定社保徵收工作的緊急通知), which was issued by the General Office of the MOHRSS on September 21, 2018, before the reform of the social insurance collection authorities being in place, the relevant levying policies, including the base and rate of the social insurance premiums, shall remain unchanged. The Urgent Notice also clarified that it is strictly prohibited for the local authorities themselves to organize and conduct centralized collection of enterprises historical social insurance arrears.

Pursuant to the Regulations on the Administration of Housing Provident Fund (住房公積金管理條例) effective on April 3, 1999, as amended on March 24, 2002, a unit (including a foreign investment enterprise) shall undertake the registration with the administrative center of housing provident funds and pay the funds for their staff. If an employer, in violation of the aforesaid regulations, fails to undertake registration or to open the housing provident funds account for its employees, the administrative center of housing provident funds will impose an order for completion within prescribed time limit, if such employer further fails to process within the aforesaid time limit, a fine ranging from RMB10,000 to RMB50,000 will be imposed. On the other hand, if a unit, in violation of the aforesaid regulations, fails to pay or to fully pay the housing provident funds, the administrative center of housing provident funds will impose an order for payment within a prescribed time limit. If such unit further fails to make payment within the aforesaid time limit, the center shall have the right to apply for compulsory enforcement in court.

Regulations Relating to Intellectual Property

The PRC has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names. The PRC has adhered to the main international conventions on intellectual property rights and has become a member of the Agreement on Trade Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization, or WTO, in December 2001.

Trademark

According to the Trademark Law of the PRC (中華人民共和國商標法), which was promulgated by the Standing Committee of the NPC on August 23, 1982 and amended on February 22, 1993, October 27, 2001 and August 30, 2013, the following acts shall be regarded as an infringement upon the right to exclusive use of a registered trademark: (i) using a trademark that is identical with a registered trademark on the same goods without the licensing of the registrant of the registered trademark; (ii) using a trademark that is similar to a registered trademark on the same goods, or using a trademark that is identical with or similar to the registered trademark on similar goods without the licensing of the registrant of the registered trademark, which is likely to cause confusion; (iii) sale of any goods that have infringed the exclusive right to use any registered trademark; (iv) counterfeit or unauthorized production of the label of another's registered trademark, or sale of any such label that is counterfeited or produced without authorization; (v) change of any trademark of a registrant without the registrant's consent, and selling goods bearing such replaced trademark on the market; (vi) providing, intentionally, convenience for activities infringing upon others' exclusive right of trademark use, and facilitating others to commit infringement on the exclusive right of trademark use; or (vii) other acts that have caused any other damage to another's exclusive right to use a registered trademark. Any foreigner or foreign enterprise applying for trademark registration in China shall handle the relevant procedures in accordance with the agreements entered into between the applicant's country and the People's Republic of China or international treaties to which both countries have acceded, or in accordance with the principle of reciprocity.

Copyright

The Copyright Law of the PRC (中華人民共和國著作權法) (the "**Copyright Law**"), which became effective on June 1, 1991 and amended on October 27, 2001 and February 26, 2010, provides that Chinese citizens, legal persons or other organizations shall enjoy the copyright on their works, whether published or unpublished, in accordance with the Copyright Law. The term "works" shall include written works, oral works, musical works, dramatic works, choreographic works and such other works of performance as ballad singing or clapper talks, works of fine art and photographic works, motion pictures, television and other audio-visual works, engineering designs and product designs including accompanying drawings and word explanations, maps, sketches and other pictorial and graphic works, other works as provided for in laws, administrative rules and regulations.

Domain Name

Pursuant to the Administrative Measures for Internet Domain Names (互聯網域名管理辦法), which was promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017 and with effect from November 1, 2017, domain name registration services shall be subject to the principle of "first come, first served." The domain names registered or used by an organization or individual shall not contain any contents prohibited by laws and administrative regulations. A domain name registration applicant shall provide the domain name registration service agency with truthful, accurate and complete identity information on the domain name holder.

Trade Secrets

Pursuant to the Certain Provisions on Prohibition of Infringement of Trade Secrets (關於禁止侵犯商業秘密行為的若干規定), which was promulgated by the State Administration of Industry and Commerce on November 23, 1995 and amended on December 3, 1998, the following acts of infringement of trade secret shall be prohibited: (i) obtaining a right owner's trade secret by theft, luring by promise of gain, duress, or any other unfair means; (ii) disclosing, using, or allowing another to use a right owner's trade secret obtained by any of the means as set forth in the preceding item; (iii) an organization or individual that has business relations with the right owner violates the agreement of their contract or the right owner's requirement to keep the trade secret confidential by disclosing, using, or allowing another to use a right owner's trade secret in the organization's or the individual's possession; and (iv) any employee of a right owner violates the agreement of their contract or the right owner's requirement to keep the trade secret confidential by disclosing, using, or allowing another to use the right owner's trade secret that is in the employee's possession. Where a third party that is aware or should be aware of the illegal acts specified aforesaid, uses, or discloses another's trade secret, the third party shall be deemed as having infringed the trade secret. With regard to any violation of these provisions, the relevant administrative authority for industry and commerce shall, pursuant to the Anti-Unfair Competition Law of the PRC (中華人民共和國反不正當競爭法) which was promulgated by the Standing Committee of the NPC on September 2, 1993 and amended on November 4, 2017, order the infringer to cease illegal acts, and give a fine of not less than RMB100,000 but not more than RMB500,000. Under grave circumstances, a fine of not less than RMB500,000 but not more than RMB3 million will be imposed.

Regulations Relating to Privacy Protection

The PRC law does not prohibit HR services providers like us from collecting and analyzing personal information from their users or customers. In general, pursuant to General Rules on the Civil Law of the PRC (中華人民共和國民法總則), which was promulgated by the NPC on March 15, 2017 and became effective on October 1, 2017, the personal information of a natural person shall be protected by laws. Any organization or individual that needs to obtain the personal information of others shall obtain such information pursuant to the law and ensure information security, and may neither illegally collect, use, process or transmit the personal information of others, nor illegally trade, provide or disclose the personal information of others. Anyone whose civil rights and civil interests, including personal information, are infringed upon shall have the right to seek tort liability against the infringer.

The Cyber Security Law of the PRC (中華人民共和國網絡安全法), which was promulgated by the Standing Committee of the NPC on November 7, 2016 and became effective on June 1, 2017, stipulates that no individuals or organizations may steal or otherwise illegally obtain personal information or illegally sell or provide personal information to others. Personal information shall refer to various types of information that can be used separately or in combination with other information to identify a natural person, including but not limited to the name, date of birth, identity certificate number, personal biological identification information, address, telephone numbers, *etc.* of the natural person. According to the Provisions on Talent Market Administration and the Interim Regulations on Human Resources Market, HR service agencies may engage in the collection, processing, storage and publication of information on supply and demand of HR. In collecting the information on employers and individuals in business activities, HR service agencies shall not reveal or illegally use the trade secrets or personal information known to them.

Furthermore, according to the Decision of the Standing Committee of the NPC on Strengthening Network Information Protection (全國人民代表大會常務委員會關於加強網絡信息保護的決定) (the "**Decision**") which was promulgated by the Standing Committee of the NPC on December 28, 2012, enterprises shall: (i) follow the principles of lawfulness, appropriateness and necessity in collecting and using personal electronic information of citizens in the course of business activities, (ii) specify the purposes, manner and scope of information collection and use, obtain the consent of the persons whose information is collected, and (iii) shall not collect and use such information in violation of laws or regulations, or in breach of mutual agreements. Enterprises and their staff members shall strictly keep confidential the personal information of citizens collected in the course of business activities and stored electromagnetically. Enterprises must also not divulge, tamper with, damage, sell or illegally provide others with such personal information. Enterprises shall take technical measures and other necessary measures to ensure information security, and prevent such information from being leaked, damaged or lost. Remedial measures shall be immediately taken in the event that such information may be or has been leaked, damaged or lost. In the event of violations of the Decision, the relevant authorities may give a warning, impose fines, confiscate illegal gains, revoke licenses or cancel record-filing, shut down the websites concerned, prohibit the persons subject to liability from engaging in network services business, *etc.* Violations may be subject to administration punishments, civil liabilities or criminal liabilities depending on the nature of such violation in accordance with the law.

On August 29, 2015, the Standing Committee of the National People's Congress (全國人民代表大會常務委員會) (the "**Standing Committee of the NPC**") released the Amendment 9 to the PRC Criminal Law (中華人民共和國刑法修正案(九)) which prohibits illegal sale and disclosure of personal information obtained during the course of providing services. On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋) (the "**Interpretations**"), effective from June 1, 2017. The Interpretations clarify several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC (中華人民共和國刑法), including "citizen's personal information," "provision," and "unlawful acquisition." Also, the Interpretations specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

Regulations Relating to Incorporation, Operation and Management of Corporate Entities

We conduct business in China through our wholly-owned PRC subsidiary, Manpower China, which falls within the definition of wholly foreign-owned enterprise under PRC laws, and its other PRC subsidiaries.

The establishment, operation and management of corporate entities in China are governed by the Company Law of the PRC (中華人民共和國公司法) (the "**Company Law**"), which was promulgated by Standing Committee of the NPC on December 29, 1993 and became effective on July 1, 1994. It was subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018. The Company Law also applies to foreign-invested companies. According to the Company Law, the provisions otherwise prescribed by the laws on foreign investment prevail.

The establishment procedures, approval procedures, registered capital requirements, foreign exchange, accounting practices, taxation and labor matters of a wholly foreign-owned enterprise are regulated by the Wholly Foreign-owned Enterprise Law of the PRC (中華人民共和國外資企業法), which was promulgated and became effective on April 12, 1986 and amended on October 31, 2000 and September 3, 2016, and the Implementation Regulations of the Wholly Foreign-owned Enterprise Law of the PRC (中華人民共和國外資企業法實施細則), which was promulgated on December 12, 1990 and amended on April 12, 2001 and February 19, 2014, and the Interim Measures for Record-filing Administration of the Establishment and Change of Foreign-invested Enterprises (外商投資企業設立及變更備案管理暫行辦法), which became effective on October 8, 2016 and amended on July 30, 2017 and June 29, 2018.

On December 23, 2018, the 7th meeting of the 13th Standing Committee of NPC reviewed the 2018 draft foreign investment law first submitted by the State Council, which was promulgated by the NPC on its official website on December 26, 2018 for public consultation until February 24, 2019, and further submitted the second draft of the 2018 draft foreign investment law to the NPC for deliberation on January 29, 2019. On March 15, 2019, the NPC adopted the Foreign Investment Law of the PRC (中華人民共和國外商投資法) (the "Foreign Investment Law") at the closing meeting of the second session of the 13th NPC. Upon taking effect on January 1, 2020, the Foreign Investment Law will replace the Wholly Foreign-owned Enterprises Law of the PRC to become the legal foundation for foreign investment in the PRC.

Any investments conducted by foreign investors in the PRC shall be subject to the Foreign Investment Industries Guidance Catalog (外商投資產業指導目錄), the latest version of which was promulgated by the National Development and Reform Commission (國家發展和改革委員會) and the Ministry of Commerce of the People's Republic of China (商務部) on June 28, 2017 and became effective on July 28, 2017, and the Special Management Measures for the Market Entry of Foreign Investment (Negative List) (2018 Version) (外商投資准入特別管理措施(負面清單) (2018年版)) (the "**Negative List**"). Foreign investment industries are classified into two categories, (1) industries in which foreign investments are encouraged; and (2) industries in which foreign investments are regulated by the Negative List. The Negative List has further classified regulated foreign investment industries into industries in which foreign investments are restricted and industries in which foreign investments are prohibited. Our business does not falls under the "restricted" or "prohibited" category in the Negative List.

Regulations Relating to PRC Taxation

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法) (the "**EIT Law**") promulgated on March 16, 2007, became effective on January 1, 2008 and amended on February 24, 2017 and the Implementation Rules of Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法實施條例) (the "**Implementation Rules**") effective on January 1, 2008, a uniform corporate income tax rate of 25% is applied to all resident enterprises in China, including our PRC Subsidiaries.

Value-added Tax and Business Tax

All entities and individuals engaged in the sales of goods, provision of processing, repairs and replacement services, and the importation of goods within the territory of the PRC shall pay value-added tax (VAT) in accordance with the Provisional Regulations on Value-added Tax of the PRC (中華人民共和國增值税暫行條例) (the "**Provisional Regulations on VAT**") and its implementation rules. The Provisional Regulations on VAT was promulgated by the State Council on December 13, 1993 which became effective on January 1, 1994 and subsequently amended on November 10, 2008, February 6, 2016 and November 19, 2017. Pursuant to the Provisional Regulations on VAT and its implementation rules, VAT payable is calculated as "output VAT" minus "input VAT." The rate of VAT is 17% or 11% in certain limited circumstances depending on the product type.

According to the Detailed Implementation Rules on the Provisional Regulations of the PRC on Business Tax (中華人民共和國營業税暫行條例實施細則) promulgated by the Ministry of Finance of PRC (the "**MOF**") on December 25, 1993 and amended on December 15, 2008 and on October 28, 2011, businesses or individuals that provide services (including entertainment businesses), transfer intangible assets or sell immovable property are liable to business tax at a rate ranging from 3% to 20%. The amount of tax payable is calculated by multiplying the turnover with the aforesaid tax rate.

Pursuant to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (關於全面推開營業税改徵增值税試點的通知) issued by the MOF and the State Administration of Taxation of the PRC on March 23, 2016 and partially amended on July 11, 2017, starting from May 1, 2016, the value-added tax rate is 11% (for the taxpayers providing freight transportation industry services), 17% (for the taxpayers providing tangible movable property rentals services), 6% (unless otherwise specified, for other taxable services (including but not limited to loading and unloading services)). The taxpayers providing international freight forwarding agency services whether directly or indirectly shall be exempted from value-added tax.

Further to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax, the MOF and State Administration of Taxation published a Circular on Adjusting Value-added Tax Rates (財政部、税務總局關於調整增值税税率的通知) on April 4, 2018 to announce that a taxpayer engages in a taxable sales activity for the VAT purpose or imports goods, the previous applicable tax rates 17% and 11% will be adjusted to 16% and 10% respectively. This Circular became effective since May 1, 2018.

According to the Announcement of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on Relevant Policies for Deepening Value-added Tax Reform (財政部、國家稅務總局、海關總署關於深化增值稅改革有關政策的公告) implemented on April 1, 2019, for the VAT taxable sales or imports by a general taxpayer of VAT (hereinafter referred to as "**taxpayer**"), the applicable tax rate shall be adjusted to 13% from the original 16% and to 9% from original 10%. For the exported goods or labor services subject to the applicable tax rate at 16% and the export tax refund rate at 16% originally, the export tax refund rate is adjusted to 13%; for the exported goods or cross-border taxable acts subject to the tax rate at 10% and export tax refund rate at 10% originally, the export tax refund rate is adjusted to 9%.

Regulations Relating to Foreign Currency Exchange and Dividend Distribution

Foreign Currency Exchange

The principal regulation governing foreign currency exchange in the PRC is the Foreign Exchange Administration Rules of the PRC (中華人民共和國外匯管理條例) (the "**Foreign Exchange Administration Rules**"). It was promulgated by the State Council of the PRC on January 29, 1996, became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Pursuant to the Foreign Exchange Administration Rules, the payment in and transfer of foreign exchange for current international transactions shall not be subject to government control or restriction. Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions . Under the Foreign Exchange Administration Rules, foreign-invested enterprises in the PRC may purchase foreign exchange without the approval of State Administration of Foreign Exchange (the "**SAFE**") for paying dividends by providing certain evidencing documents (board resolutions, tax certificates, *etc.*), or for trade and services-related foreign exchange transactions by providing commercial documents evidencing such transactions.

While convertible for capital account items, such as capital transfer, direct investment, investment in securities, derivative products or loans are subject to registration with SAFE and approval or filing with the relevant governmental authorities (if necessary).

Dividend Distribution

Pursuant to the EIT Law, non-resident enterprises which have not set up agencies or offices in the PRC, or agencies or offices are set up but there is no actual relationship with the income obtained by the agencies or offices, shall pay enterprise income tax in relation to the income originating from China at the tax rate of 20%. However, the Implementation Rules reduced the rate from 20% to 10%.

The PRC and the government of Hong Kong signed Arrangement between the Mainland China and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (內地和香港特別行政區關於對所得稅避免雙重徵稅和防止偷漏稅的安排) (the "**Arrangement**") on August 21, 2006. According to the Arrangement, no more than 5% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident, provided that the recipient is a company that holds at least 25% of the capital of the PRC company. The Notice on Issues relating to the Administration of the Dividend Provision in Tax Treaties (關於執行稅收協定股息條款有關問題的通知) (the "**Notice 81**") was promulgated on

February 20, 2009 by the State Administration of Taxation. The Notice 81 reaffirms the qualification for a dividend recipient to enjoy a tax preferential levied at 5% rate as follows: (1) the recipient of the dividend must be a corporation; (2) the recipient's ownership in the PRC company must meet the prescribed direct ownership thresholds at all times during the 12 consecutive months preceding the receipt of the dividends; (3) the deal or arrangement is not mainly for the purpose of obtaining the tax preferential.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN HONG KONG

Employment Ordinance and Employment Agency Regulations

The Employment Ordinance (Chapter 57 of the Laws of Hong Kong) ("**EO**") is the main piece of legislation governing the conditions of employment in our Hong Kong business. Our Group is further subject to the requirements under the Part XII of the EO and the Employment Agency Regulations (Chapter 57A of the Laws of Hong Kong) ("**EAR**") relating to the operation and management of an employment agency.

Employment

Under the section 23 of the EO, the employer shall pay wages to the employee under a contract of employment as soon as is practicable but in any case not later than seven days after the last day of the wage period. Any employer who wilfully and without reasonable excuse contravenes such requirement commits an offence and is liable on conviction to a maximum fine of HK$350,000 and to imprisonment for three years.

Under the section 25(1) of the EO, where a contract of employment is terminated, any sum due to the employee shall be paid to him as soon as practicable and in any case not later than seven days after the day of termination. Any employer who willfully and without reasonable excuse contravenes such requirement commits an offence and is liable to a maximum fine of HK$350,000 and to imprisonment for a maximum of three years.

Further, under the section 25A(1) of the EO, if any wages or any sum referred to are not paid within seven days from the day on which they become due, the employer shall pay interest at a specified rate on the outstanding amount of wages or sum from the date on which such wages or sum become due up to the date of actual payment. Any employer who willfully and without reasonable excuse contravenes such requirement commits an offence and is liable on conviction to a maximum fine of HK$10,000.

Employment Agency License

Under the section 51(1) of the EO, no person shall operate, manage or assist in the management of an employment agency unless he is the holder of an employment agency license or certificate of exemption issued by the Commissioner for Labour in respect of the employment agency. Any person who contravenes such requirement commits an offence and is liable on conviction to a fine at HK$350,000 and to imprisonment for three years.

Under the section 51(2) of the EO, no person shall operate, manage or assist in the management of an employment agency at any place other than the place of business specified in the license. Any person who contravenes such requirement commits an offence and is liable on conviction to a fine at HK$10,000.

Under the sections 52(2A) and 52(2B) of the EO, the license must be displayed in a conspicuous position at the place of business of the employment agency; and a duplicate license is required for each branch of the employment agency. Any person contravenes such requirement commits an offence and shall be liable on conviction to a fine of HK$10,000.

The EO applies to all employment agencies in Hong Kong except those are:

- carried on or subvented by the Government of Hong Kong;
- carried on under the Merchant Shipping (Seafarers) Ordinance;
- carried on by employers solely for employing persons for themselves;
- carried on by contractors or sub-contractors who employ people on work for others;
- non-profit making and carried on by the proprietors of publications;
- non-profit making and carried on by a recognized educational institution solely for the employment of the students or graduates of that educational institution.

Requirements for the Employment Agency License

Under the section 52(4) of the EO, the license is valid for 12 months from the date of issue.

Under the section 56 of the EO, the licensee should maintain a record of all job applicants registered with the employment agency. The record should be available for inspection by the Commissioner for Labour at all reasonable times. The records shall be retained by the licensee for a period of not less than 12 months. Any person contravenes such requirement commits an offence and shall be liable on conviction to a fine of HK$10,000.

Prohibited acts in respect of employment agencies

Under the section 57 of the EO sets out that a licensee shall not, directly or indirectly, receive from any person any form of reward, payment, advantage (except the prescribed commission) for having obtained, for obtaining or to obtain employment for that person. Any person contravenes such requirement commits an offence and is liable on conviction to a fine at HK$350,000 and to imprisonment for 3 years.

The section 57 of the EO further sets out that a licensee shall not share with any person the prescribed commission which he is permitted to charge and receive, other than another licensee or shareholder in his employment agency. Any person contravenes such requirement commits an offence and is liable on conviction to a fine at HK$50,000.

Under the regulation 6 of the EAR sets out that a licensee shall not lend, transfer or assign the license to another person. Regulation 10(2) of the EAR sets out that the maximum commission which can be charged and received by an employment agency in connection with the employment of any person. The maximum commission which may be received by an employment agency from each job applicant is an amount not exceeding 10% of his/her first month's wages received after he/she has been successfully placed. Under the regulation 17 of the EAR, any person contravenes such requirement commits an offence and is liable on conviction to a fine at HK$10,000.

Employees' Compensation Ordinance

The Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) (the "**ECO**") establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases.

Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have been at fault or negligent when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

Under the section 40 of the ECO, all employers are required to take out policies of insurance to cover their liabilities both under the ECO and at common law for injuries at work in respect of all their employees (including full-time and part-time employees). An employer who fails to comply with the ECO to secure an insurance cover commits an offence and is liable on conviction upon indictment to a maximum fine of HK$100,000 and to imprisonment for two years; or on summary conviction to a maximum fine at HK$100,000 and to imprisonment for one year.

Under the section 48 of the ECO, an employer shall not, without the consent of the Commissioner for Labour, terminate, or give notice to terminate, the contract of service of an employee who has suffered incapacity or temporary incapacity in circumstances which entitle him to compensation under the ECO. An employer contravenes such requirement commits an offence and is liable on conviction to a maximum fine of HK$100,000.

Personal Data (Privacy) Ordinance

The Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the "**PDPO**") provides that a data user shall not do an act, or engage in a practice, that contravenes a data protection principle unless the act or practice, is required or permitted under the PDPO. The PDPO also places a statutory duty on data users to comply with the requirements of the six data protection principles contained in Schedule 1 of the PDPO.

(i) Principle 1: Purpose and manner of collection. This principle provides for the lawful and fair collection of personal data and sets out the information a data user must give to a data subject when collecting personal data from that subject.

(ii) Principle 2: Accuracy and duration of retention. This principle provides that personal data should be accurate, up-to-date and kept no longer than necessary.

(iii) Principle 3: Use of personal data. This principle provides that unless the data subject consents, personal data should be used only for the purposes for which they were collected or a directly related purpose.

(iv) Principle 4: Security of personal data. This principle requires appropriate security measures to be applied to personal data (including data in a form in which access to or processing of the data is not practicable).

(v) Principle 5: Information to be generally available. This principle provides for openness by data users about the kinds of personal data they hold and the main purposes for which personal data are used.

(vi) Principle 6: Access to personal data. This principle provides for data subjects to have rights of access to and correction of their personal data.

The Group collects, uses, makes use and retains the personal data of our clients and candidates in the normal course of the business and therefore, the business operation are regulated by the PDPO. The Group falls within the definition of "data user" as defined under the PDPO.

The PDPO also gives data subjects the following rights: (i) the right to be informed of whether any data user holds their personal data; (ii) the right to be supplied with a copy of such data; and (iii) the right to request correction of any data they consider to be inaccurate; and (iv) the right to require data user to cease using their personal data at any time. Non-compliance with a data protection principle may lead to a complaint to the Privacy Commissioner for Personal Data.

Under the section 58 of the PDPO, if personal data are used for any of the purposes referred to in section 58(1) of the PDPO (which includes but not limited to prevention or detection of crimes, prosecution or detention of offenders and prevention, preclusion or remedying of unlawful or seriously improper conduct or dishonesty or malpractice by persons, *etc.*) ("**Exempted Matters**") and the application of the personal data protection principle in relation to such use would be likely to prejudice any of the Exempted Matters, then (i) such personal data are exempted from the provisions of certain data protection principle; and (ii) in any proceedings against any person for a contravention of any of those provisions of the PDPO, it shall be a defence if that person shows that he has reasonable grounds for believing that failure to use the data would likely prejudice any of the Exempted Matters.

Under the section 65 of the PDPO, any act done or conduct engaged by the employee shall be treated as an act done or conduct engaged by his employer as well as by the employee, whether or not it was done or engaged with the employer's knowledge or approval. It is a defence if the employer can prove that he has taken practicable steps to prevent the employee from breaching the PDPO.

Part 6A of the PDPO regulates the use and provision of personal data in direct marketing by business entities. If the personal data of the data subject are intended to be used in direct marketing, the data subject must be notified and their consent must be obtained before using or transferring any of their personal data to another person.

Occupational Safety and Health Ordinance

The Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) (the "**OSHO**") provides for the safety and health protection to employees in workplaces, both industrial and non-industrial. Employers must as far as reasonably practicable ensure the safety and health in their workplaces by:

- providing and maintaining plant and systems of work that are safe and without risks to health;
- maintenance of the workplaces in a condition that is safe and without risks to health;
- making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant or substances as regards any workplace under the employer's control;
- providing and maintaining means of access to and egress from the workplace that are safe and without any risks to health;
- providing all necessary information, instructions, training and supervision to the employee to ensure the safety and health at work; and
- providing and maintaining a working environment for the employees that is safe and without risks to health.

An employer who fails to comply with any of the above provisions commits an offence and is liable on conviction to a maximum fine of HK$200,000. An employer who intentionally knowingly or recklessly fails to comply with any of the above provisions commits an offence and is liable on conviction to a maximum fine of HK$200,000 and to imprisonment for 6 months.

Under the sections 9(1) and 10(1) of OSHO, the Commissioner for Labour may issue an improvement notice against non-compliance of the OSHO. The Commissioner for Labour may also issue a suspension notice against activity or condition of workplace which may create imminent risk of death or serious bodily injury. An employer who fails to comply with an improvement notice without reasonable excuse commits an offence punishable by a maximum fine of HK$200,000 and imprisonment for 12 months. An employer who contravenes a suspension notice without reasonable excuse commits an offence punishable by a maximum fine of HK$500,000 and imprisonment for 12 months.

Mandatory Provident Fund Schemes Ordinance

The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) ("**MPFSO**") provides for the establishment of non-governmental mandatory provident fund ("**MPF**") schemes. The Group, as an employer, is required to enrol the regular employees (except for certain exempt persons) aged between at least 18 but under 65 years of age and employed for 60 days or more in a MPF scheme within the first 60 days of employment.

Under the Schedule 2 and 3 of the MPFSO, employee with the maximum and minimum levels of income at HK$30,000 and HK$7,100 per month are required to made contribution to the MPF scheme. The employer will deduct 5% of the relevant income on behalf of an employee as mandatory contributions to a registered MPF scheme. Under the section 7A(2) of the MPFSO, an employer will also be required to contribute an amount equivalent to 5% of an employee's relevant income to the MPF scheme. Any employer who contravenes the requirements commits a criminal offence and is liable on conviction to a fine of HK$350,000, imprisonment for 3 years and a daily penalty of HK$500 on which the offence is continued.

Under the regulation 140(1) of the Mandatory Provident Fund Schemes (General) Regulation (Chapter 485A of the Laws of Hong Kong) ("**MPFR**"), employers are required to keep proper records of the information related to their employees and the MPF scheme for seven years, including the names of employees, their correspondence addresses, dates of employment, relevant income, amounts of MPF contributions and contribution dates.

Minimum Wage Ordinance

The Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) (the "**MWO**") governs the statutory minimum wage (the "**SMW**") regime in Hong Kong. MWO provides a prescribed minimum hourly wage rate during the wage period for every employee engaged in a contract of employment under the EO. Any provision in a contract of employment which purports to extinguish or reduce the right, benefit or protection conferred on an employee by the MWO is void.

The MWO is applicable to every employee, his or her employer and the contract of employment under which he or she is engaged. MWO does not apply to a person to whom the EO does not apply including domestic workers, student interns, contractors or self-employed persons.

Wages payable to an employee in respect of any wage period, when averaged over the total number of hours worked in the wage period, should be no less than the statutory minimum wage rate. Currently, the SMW rate is HK$34.5 per hour. From May 1, 2019, the SMW rate will be at HK$37.5 per hour.

Unsolicited Electronic Messages Ordinance

The Unsolicited Electronic Messages Ordinance (Chapter 593 of the Laws of Hong Kong) (the "**UEMO**") prohibits professional spamming activities such as the use of unscrupulous practices to reach out to more recipients and fraudulent activities in relation to sending commercial electronic messages.

Under the section 2 of the UEMO, electronic messages are defined as electronic messages with purposes, or one of the purposes of, which is, among others, to offer or supply goods, services, facilities, land, business opportunity, or advertise or promote a supplier of goods, services, facilities, land, business opportunity, *etc.*, in the course of or in the furtherance of any business.

Any form of electronic messages sent over a public telecommunications service to an electronic address is regulated under the UEMO, including email, fax, short messaging service/multimedia messaging service, pre-recorded voice/video messages. Calls and messages with the nature of (a) person-to-person telemarketing calls; and (b) sound broadcasting or television programme services are exempted from application of the entire UEMO.

The Communications Authority is an independent statutory body set up to regulate the broadcasting and telecommunications industries in Hong Kong and empowered to enforce the UEMO. The Communications Authority may serve an enforcement notice to a person who contravenes any provision of the UEMO. The relevant person is require to take remedial action as specified by the Communications Authority. A person who fails to comply with an enforcement notice commits an offence and is liable on first conviction to a fine of HK$100,000; and liable on second and subsequent conviction to a fine up to HK$500,000. For continuing offence, a further daily fine of HK$1,000 can be imposed.

Under Part 3 of the UEMO, a sender is prohibited to use unscrupulous techniques to reach out to more recipients. It is an offence to:

- supply, acquire or use address-harvesting software or harvested-address lists for sending commercial electronic messages without the recipients' consent;

- send commercial electronic messages to electronic addresses obtained using automated means;

- use scripts or other automated means to register for multiple email addresses; and

- knowingly send commercial email messages through open relays or open proxies so as to hide the source of the message.

These offences would be prosecuted in court and subject to a fine at level 6 (currently at HK$100,000) and imprisonment up to two years (no imprisonment term for offences relating to address-harvesting) on summary conviction, or a fine up to HK$1,000,000 and imprisonment for up to five years on conviction on indictment.

Competition Ordinance

The Competition Ordinance (Chapter 619 of the Laws of Hong Kong) (the "**CO**") prohibits and deters undertakings in all sectors from adopting anti-competitive conduct which has the object or effect of preventing, restricting or distorting competition in Hong Kong. According to the CO, there are three rules established to regulate the anti-competitive activates in Hong Kong:

- The First Conduct Rule: It prohibits undertakings from making or giving effect to an agreement, engaging in a concerted practice, or making or giving effect to a decision of an association, if the agreement concerned has the object or effect to harm competition in Hong Kong;

- The Second Conduct Rule: It prohibits undertakings that have a substantial degree of market power from abusing its power through engaging in conduct that has the object or effect to harm competition in Hong Kong; and

- The Merger Rule: It prohibits undertakings that directly or indirectly carry out mergers that have or are likely to have effect of substantially lessening competition in Hong Kong. This rule only applies to mergers involving carrier license holders within the meaning of the Telecommunications Ordinance (Chapter 106 of the Laws of Hong Kong).

In addition, "serious anti-competition conduct" is defined under the CO as any conduct that consists of any of the following or any combination of the following activities:

- fixing, maintaining, increasing or controlling the price for the supply of goods or services;

- allocating sales, territories, customers or markets for the production or supply of goods or services;

- fixing, maintaining, controlling, preventing, limiting or eliminating the production or supply of goods or services; and

- bid-rigging.

Under the section 67 of the CO, if (i) the Competition Commission has any reasonable cause to believe a contravention of the first conduct rule has occurred and the contravention involves serious anti-competition conduct or a second conduct rule has occurred; and (ii) the Competition Commission has not yet brought proceedings in the Competition Tribunal in respect of the contravention, it may, instead of bringing proceedings in the Competition Tribunal in the first instance, issue an infringement notice to the person against whom it proposes to bring the proceedings, offering not to bring those proceedings on condition that the person makes a commitment to comply with requirements of the infringement notice.

Under the section 82 of the CO, if the Competition Commission has any reasonable cause to believe that a contravention of the first conduct rule has occurred and the contravention does not involve any of the serious anti-competition conducts, it must issue a warning notice to the undertaking before bringing proceedings in the Competition Tribunal against the undertaking. In the event of the breaches of the CO, the Competition Tribunal may make orders including:

- imposing a pecuniary penalty if satisfied that an entity has contravened a competition rule;
- disqualifying a person from acting as a director of a company or taking part in the management of a company;
- prohibiting an entity from making or giving effect to an agreement;
- modifying or terminating an agreement; and
- requiring the payment of damages to a person who has suffered loss or damage.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN TAIWAN

The following is a summary of the most significant aspects of Taiwan laws and regulations relating to our business operations in Taiwan.

License, Registrations and Permits

Occupation Services Approval

According to Articles 34 and 35 of the Employment Services Act (the "**ESA**"), to establish a private employment services institution and its branches for providing the following employment services, an application for an establishment permit and a private employment services institution permit (the "**Permit**") should be submitted to local competent authorities:

(i) Job placement or HR agency businesses;

(ii) Being engaged to recruit employee(s);

(iii) Provision of employment consultation or psychological tests in order to assist individuals to determine their career development plans; and

(iv) Other employment services businesses to be permitted by the central competent authority.

Private employment services institutions are divided into two types:

1. A for-profit employment services institution, which must be a company established under the Company Act or a business entity established under the Business Enterprise Registration Act; or

2. A non-profit employment services institution, which must be a foundation incorporated by law, association for the public interests, or other non-profit organizations.

The term of the Permit is two years and the private employment services institution shall, within 30 days prior to the expiration of the Permit, file a renewal application.

According to Articles 36 of the ESA, private employment services institution shall employ sufficient qualified Employment Services Professional Personnel (the "**ESPP**"). The number and qualifications of ESPP are subject to the following requirements in the Regulations for Permission and Management of Private Employment Services Institution (Paragraph 1, Article 6):

(i) A private employment services institution with no more than five employees shall have at least one ESPP.

(ii) A private employment services institution with six employees or more but less than ten shall have at least two ESPP.

(iii) A private employment services institution with more than ten employees shall have at least three ESPP, and one additional ESPP for having every additional ten employees.

The Certificate for ESPP can only be obtained by a natural person having one of the following qualifications:

(i) a natural person who has obtained a test passing document issued by the competent authority; or

(ii) a natural person who has passed a test of skills relating to job placement services and obtained a skills certificate issued by the competent authority.

A for-profit private employment services institution shall be duly incorporated and meet the minimum paid-in capital requirement (see below) if it intends to provide the following employment services:

(i) Introducing foreign worker(s) to work in Taiwan;

(ii) Introducing Hong Kong, Macau, or Mainland China resident(s) to work in Taiwan; or

(iii) Introducing Taiwan nationals to work outside Taiwan.

There is no residency requirement on the directors of the private employment services institution regardless of whether it is invested by a foreign company.

Paid-in Capital Requirement

A for-profit employment services institution engaging in the recruitment of Taiwan nationals to work in Taiwan shall have a minimum paid-in capital of NT$500,000, and an additional NT$200,000 shall be required for establishing a branch unless the original paid-in capital of the for-profit employment services institution exceeds the statutory minimum paid-in capital requirement.

A for-profit employment services institution engaging in the recruitment of (i) foreign workers or residents from Hong Kong, Macao or the PRC to work in Taiwan, or (ii) Taiwan nationals to work outside Taiwan shall have a minimum paid-in capital of NT$5,000,000, and an additional NT$2,000,000 shall be required for establishing a branch unless the original paid-in capital of the for-profit employment services institution exceeds the statutory minimum paid-in capital requirement.

PRC Investments, Corporate Registration and Importer and Exporter Registrations

The investment of a PRC investor is governed by the Regulations Governing Investments by Nationals in Mainland Area and relevant regulations, under which "PRC Investors" are defined as any individual, juristic person, organization or any other institution of Mainland China (a "**Mainland Person**"); and any company located in any "third area" (an area other than the PRC or Taiwan) and invested in by a Mainland Person or Mainland Persons whereby (i) the capital contributed or shares held directly or indirectly by Mainland Person(s) in aggregate exceed 30% of the total number of shares or total amount of capital contribution of such third-area company, or (ii) such third-area company is controlled by Mainland Person(s). A company invested by a PRC Investor may only operate the businesses on the Positive List as promulgated by the Executive Yuan in Taiwan, which does not include a private employment services institution. The major procedures for a PRC investor to set up a subsidiary or a branch in Taiwan are as follows: (i) obtaining the investment approval from the Investment Commission of the Ministry of Economic Affairs ("**MOEA**"); (ii) remitting the capital and obtaining the capital verification approval from the MOEA; (iii) completing the corporate/branch registration with the MOEA or the government authority designated by the MOEA; (iv) completing the business registration with local tax office; and (v) if applicable, completing the importer/exporter registration with the Bureau of Foreign Trade of the Ministry of Economic Affairs.

Labor and Working Safety

Labor Standards Act

The Labor Standards Act (the "**LSA**") set forth the local minimum, compulsory and restrictive requirements and is the basis of major labor laws and regulations in Taiwan. Employment terms and conditions agreed to by an employer and an employee should be no less favorable than the minimum/mandatory requirements set forth under the LSA, otherwise they are null and void and will be superseded by the corresponding provisions prescribed under the LSA.

The requirements for employment conditions under the LSA include "employment contract and its termination," "salary," "days off," "work hours and overtime," "break, public holidays, annual leave and statutory leave," "labor insurance," "retirement and statutory pension schemes," "compensation for occupational hazards" and "establishment of work rules." For employment terms and conditions not stated in an employment contract or the employer's work rules/policies, the legal minimum/mandatory requirements under the LSA shall apply. For employment terms and conditions provided in an employment contract or the employer's work rules/policies which are more favorable than the LSA requirements, such favorable terms and conditions shall prevail.

Labor Pension Act

According to the Labor Pension Act, for employees who are hired on or after July 1, 2005, an employer is required to contribute each month an amount equivalent to at least 6% of each employee's monthly wage into the employee's personal pension fund account at the Bureau of Labor Insurance.

Employee Welfare Fund Act

According to Articles 1 and 2 of the Employee Welfare Fund Act (the "**EWFA**") and relevant rulings, a company hiring no less than 50 workers shall establish an employee welfare committee and appropriate 1%~5% of the total amount of capital at the time of its establishment, appropriate 0.05%~0.15% of total monthly business revenue, and shall deduct 0.5% from the monthly wage and allowances of each employee as employee welfare fund. According to Article 11 of the EWFA, if an employer fails to appropriate the employee welfare fund or fails to appropriate sufficient funds, the labor competent authority may not only ask such employer to appropriate the employee welfare fund, but also impose an administrative fine of no more than NT$1,000 on the responsible person (*i.e.*, for a company incorporated in Taiwan, the chairman of the board of directors of such company; for a branch established in Taiwan, the branch manager of such branch).

Occupational Safety and Health Act and Regulations Governing the Occupational Safety and Health

According to Article 23 of the Occupational Safety and Health Act (the "**OSH Act**") and Paragraph 1 of Article 12-1 of the Regulations Governing the Occupational Safety and Health (the "**OSH Regulations**"), an employer should stipulate an occupational safety and health management plan based on the scale and characteristics of each business unit. According to Paragraph 2 of Article 12-1 of the OSH Regulations, an employer having more than 100 employees should stipulate the occupational safety and health management programme. If such employer fails to do so and fails to make any improvement within the given period set by the regulator, pursuant to Article 45 of the OSH Act, it should be subject to an administrative fine of no less than NT$30,000 and no more than NT$150,000.

According to Article 34 of the OSH Act, an employer should prepare, in consultation with labor representatives, appropriate safety and health work rules which suit their needs. These rules should be posted and implemented after a copy has been submitted to a labor inspection agency for record. If such employer fails to do so and fails to make any improvement within the given period set by the regulator, pursuant to Article 45 of the OSH Act, it should be subject to an administrative fine of no less than NT$30,000 and no more than NT$150,000.

Act of Gender Equality in Employment

According to Article 13 of the Act of Gender Equality in Employment, where an employer hires no less than 30 workers, it shall establish its own measures for prevention of, compliant handling of and punishment for sexual harassment and post such measures in the working place. According to Article 38-1 of this Act, an employer failing to do so should be subject to an administrative fine of NT$100,000 to NT$500,000. The name or title of the responsible person of such employer shall be put on public notice, and shall be ordered to make improvements within a specified period. In the event improvements are not made within the specified period, the violating employer will be punished consecutively for each violation after said period expires.

National Health Insurance Act and Labor Insurance Act

Under the National Health Insurance Act and Labor Insurance Act, an employer should enroll all employees in the statutory insurance (*i.e.*, national health insurance and labor insurance) from the first day of their employment.

Taxes

According to the relevant provisions of the Taiwan Income Tax Act, a Taiwan company shall withhold 21% of dividends allocated to a foreign shareholder (or an applicable lower tax rate provided by a tax treaty applicable to the shareholder) for income tax since dividends paid by a Taiwan company are Taiwan source income. From January 1, 2018 onwards, any earnings that a Taiwan company generates in a fiscal year but are not distributed in the following year shall be subject to a 5% unappropriated earnings tax. Such 5% undistributed earnings tax will further reduce the retained earnings available for future distribution, and no undistributed earnings tax paid can be offset against the 21% withholding tax.

OVERVIEW

Immediately upon completion of the Global Offering and the Capitalization Issue, MAN (through its wholly-owned subsidiaries, Manpower Holdings and Manpower Nominees) and CM Phoenix Tree will be interested in approximately 38.25% and 36.75% of our issued share capital, respectively, taking no account of Shares which may be issued pursuant to the exercise of the Over-allotment Option or Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme. CM Phoenix Tree is owned as to (i) approximately 91.17% by CM Phoenix Tree II, which is in turn owned as to approximately 86.33% by CPEChina Fund II; and (ii) approximately 8.83% by MPG Management Inc.. The general partner of CPEChina Fund II is CITIC PE Associates II, whose general partner is CITIC PE Funds II. For the purpose of this prospectus, MAN, CM Phoenix Tree, CM Phoenix Tree II, CPEChina Fund II, CITIC PE Associates II and CITIC PE Funds II are our Controlling Shareholders. MPG Management Inc. and its shareholders are not regarded as our Controlling Shareholders. To the best of our Directors' knowledge, there exists no agreement or arrangement in relation to voting arrangements (including but not limited to acting in concert agreements or arrangements), written or otherwise, between any of CM Phoenix Tree II and its shareholders on the one hand and MPG Management Inc. and its shareholders on the other hand and therefore MPG Management Inc. and its shareholders should not be treated as controlling shareholders of our Company as defined under the Listing Rules. As of the Latest Practicable Date, our Company was a subsidiary of MAN, but will cease to be so immediately upon the Listing.

DELINEATION OF BUSINESS

The MAN Group is engaged in the business of workforce solutions and services around the world in regions outside of Greater China; whereas our Group's business of workforce solutions and services is conducted in the Greater China region. Despite the similar services provided by the MAN Group and our Group, due to the different geographical locations in which each of the two groups operates, it is considered that there is clear delineation between the businesses of the MAN Group and those of our Group. Therefore, the MAN Group does not currently have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Group's business.

Each of CM Phoenix Tree, CM Phoenix Tree II and CPEChina Fund II is an investment holding entity principally engaged in private equity investment while CITIC PE Associates II and CITIC PE Funds II are asset managers. Apart from the interests in our Group, such Controlling Shareholders and their respective close associates are not interested in any business that competes or is likely to compete, either directly or indirectly, with those of our Group.

As illustrated above, none of our Controlling Shareholders is interested in any business which is whether directly or indirectly, in competition with our business.

NON-COMPETITION UNDERTAKINGS

To protect our Group from potential competition in the future, MAN and CM Phoenix Tree (the "**Undertaking Controlling Shareholders**") have provided undertaking to us in the MAN Deed of Non-competition and the CPE Deed of Non-competition (the "**Deeds of Non-Competition**"), respectively.

Pursuant to the MAN Deed of Non-competition, MAN has undertaken to us that it will not, and will also procure its close associates (other than members of our Group) not to set up office or hire employees for the conduct of, or otherwise directly or indirectly be involved in or undertake, any business that directly or indirectly competes, or may compete with, the workforce solutions business engaged by our Group from time to time in the Greater China region (the "**Restricted Activity**"), or hold any shares or interest in any companies or business that competes directly or indirectly with the Restricted Activity, except where it and/or its close associates hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in the Restricted Activity in the Greater China region and they do not control 10% or more of the composition of board of directors of such company (the "**MAN Undertakings**"). Our Company has provided reciprocal undertakings to MAN relating to competition with the MAN Group's business with respect to territories in which MAN was operating as of the date of the deed (the "**MAN Territories**").

Pursuant to the CPE Deed of Non-competition, CM Phoenix Tree has undertaken to us that it will not be involved in or undertake, any business that directly or indirectly competes, or may compete with, or hold shares or interest in any companies or business that competes directly or indirectly with, the Restricted Activity, except where CM Phoenix Tree holds less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in the Restricted Activity in the Greater China region and they do not control 10% or more of the composition of the board of directors of such company.

In addition, under the MAN Non-competition Deed, MAN has undertaken that if any new business investment relating to or including a Restricted Activity in the Greater China region (the "**Competing Investment Opportunity**") or business opportunity relating to or including a Restricted Activity in the Greater China region (the "**Competing Business Opportunity**") is identified by or made available to it or any of its close associates or acquired by the same, so long as doing so would not violate any confidentiality obligations applicable to MAN or its close associates (including those imposed by applicable laws and regulations), it shall, and shall procure its close associates to, offer or refer the portion of such opportunity which is located in Greater China and would comprise Restricted Activity (the "**Greater China Portion**") to our Company in the following manner:

With respect to a Competing Investment Opportunity:

(i) give written notice (the "**Offer Notice**") to offer to sell or transfer the Greater China Portion to our Company on terms no less favorable than that portion of the valuation at which such Competing Investment Opportunity was acquired by MAN or its close associates as was attributed (or can be reasonably attributed) to the

Greater China Portion, within 30 business days (or such later time as the independent non-executive Directors may agree) of the completion of such acquisition; or

(ii) in the event it is agreeable to the counterparty to MAN or its close associates with respect to the Competing Investment Opportunity (the "**Seller**") and as MAN deems appropriate in its discretion, refer the Greater China Portion to our Company at any time prior to completion of such acquisition for further negotiations between our Company and the Seller; and

With respect to a Competing Business Opportunity:

(i) give an Offer Notice to our Company of the Greater China Portion of such Competing Business Opportunity within 30 business days (or such later time as the independent non-executive Directors may agree) of identifying the opportunity and the nature of the Greater China Portion of the Competing Business Opportunity and all other details reasonably necessary for our Company to consider whether to pursue or participate in the Greater China Portion of such Competing Business Opportunity.

Our Company has provided reciprocal undertaking to MAN in respect of the same types of opportunities in the MAN Territories.

Upon receiving the Offer Notice, the Board shall discuss the relevant opportunity and our Company shall seek approval from (i) the independent non-executive Directors of the Board; or (ii) a Board committee comprising only of independent non-executive Directors and established by the Board for the purpose of considering such opportunity (in each case the "**Independent Board Committee**") as to whether to pursue or decline the opportunity. Any Director who has an actual or potential interest in the opportunity need not abstain from attending the said discussion, but shall abstain from voting and whose presence shall not be counted in the quorum for, any meeting convened to consider such opportunity. The Independent Board Committee shall consider the financial impact of pursuing the opportunity offered, whether the nature of the opportunity is consistent with our Group's strategies and development plans and the general market conditions of our business. If appropriate, the Independent Board Committee may appoint independent financial advisors and legal advisors to assist in the decision-making process in relation to such opportunity. The Independent Board Committee shall, within 30 business days (or such later time as MAN may agree) of receipt of the Offer Notice referred to above, inform MAN in writing on behalf of our Company of its decision whether to pursue or decline the Greater China Portion of such opportunity. In the event the Greater China Portion of any opportunity is declined on the decision of the Independent Board Committee, MAN shall (or shall procure its close associates to) endeavor to take or refrain from taking such actions as are necessary to rectify the situation so that the Greater China Portion of such opportunity does not conflict with the MAN Undertakings in a manner detrimental to our Shareholders, provided, however, that nothing thereunder shall require MAN to take actions with respect to such opportunity that would be harmful to the shareholders of MAN. Any rectification measure should be completed, if at all, within a period of not less than six months and not more than two years to be agreed by the Independent Board Committee and MAN, taking into account the nature and complexity of the opportunity.

If prior to its consummation there is any material change in the nature, terms or conditions of such opportunity pursued by MAN, it shall refer such revised opportunity to our Company as if it were a new opportunity.

Each of MAN and our Company has undertaken to the other that it will not, and shall procure its close associates (other than members of the other's group) not to, enter into any new global agreement or any new agreement ancillary to any global agreement with customers or other parties in the other's territories.

In respect of each of the Undertaking Controlling Shareholders, the Deed of Non-Competition will lapse automatically if such Undertaking Controlling Shareholder (and its close associates in the case of MAN) ceases to hold, whether directly or indirectly, 30% of our Shares or if our Shares cease to be listed on the Stock Exchange.

In order to promote good corporate governance practices and to improve transparency, the Deeds of Non-Competition include the following provisions:

- each of the Undertaking Controlling Shareholders will (and MAN will also procure its relevant close associates to) provide all information reasonably necessary for the annual review by our independent non-executive Directors for the enforcement of the Deeds of Non-Competition; and

- each of the Undertaking Controlling Shareholders will make an annual declaration on the compliance with the respective Deeds of Non-Competition in our annual report in accordance with the principle of voluntary disclosure in the corporate governance report.

In addition, our Company has taken, or will take, the following measures to safeguard good corporate governance standards in respect of the Deeds of Non-Competition:

- our independent non-executive Directors will review, at least on an annual basis, the compliance with the Deeds of Non-Competition by the Undertaking Controlling Shareholders;

- we will disclose the review by our independent non-executive Directors on the compliance with and the enforcement of, the Deeds of Non-Competition and the decisions on matters reviewed by our independent non-executive Directors (including the reasons for not taking up the opportunities referred to our Company) either through our annual report or by way of announcement to the public in compliance with the Listing Rules; and

- in the event that any of our Directors and/or their respective close associates has/have material interests in any matter to be deliberated by our Board in relation to the compliance and enforcement of Deeds of Non-Competition, he/she may not vote on the resolutions of our Board approving the matter and may not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

We believe that our Group is capable of carrying on its business independently of, and at arm's length from, our Controlling Shareholders and their respective close associates (other than our Group) after the Listing for the following reasons:

Management Independence

Our Board currently comprises one executive Director, four non-executive Directors and three independent non-executive Directors. The following table sets out the directorship(s) and senior management position(s) of our Directors in our Controlling Shareholders immediately upon the Listing:

Name	Directorship or senior management position in our Group upon completion of the Listing	Directorship or senior management position in our Controlling Shareholders upon completion of the Listing
YUAN Jianhua	Executive Director, chief executive officer and president	None
Darryl E GREEN	Non-executive Director and chairman	None
Sriram CHANDRASEKAR	Non-executive Director	Executive vice president of operational excellence, technology and transformation of MAN
ZHAI Feng	Non-executive Director	None
ZHANG Yinghao	Non-executive Director	Director of CM Phoenix Tree and CM Phoenix Tree II
Thomas YEOH Eng Leong	Independent non-executive Director	None
WONG Man Lai Stevie	Independent non-executive Director	None
Victor HUANG	Independent non-executive Director	None

As illustrated above, given that Mr. Sriram Chandrasekar and Mr. Zhang Yinghao, being two of our non-executive Directors who are an officer and a director of certain of our Controlling Shareholders, are not involved in our daily operations, our Board considers that the partial overlap of directorships or senior management positions between our Company and our Controlling Shareholders will not impair the independence of our Board. It is also considered that our executive and non-executive Directors have a track record of and will continue to have the ability in, devoting sufficient time and energy in discharging their duties. Mr. Yuan Jianhua, our executive Director, does not hold any role in our Controlling Shareholders and he is supported by a team of experienced management within our Group in overseeing the day-to-day operations of our Group; whereas our non-executive Directors' roles including providing strategic guidance for the overall development of our Group and are not involved in the day-to-day management of our Group. In addition, we believe that all of our Directors, including the independent non-executive Directors, have the requisite qualifications, integrity and experience to maintain an effective board and to observe their fiduciary duties in the event of any conflict of interest. In the event that there is any potential conflict of interest arising out of any transaction to be entered into between our Group and any of our Controlling Shareholders, or where any Director has a material interest in any contract, arrangement or proposal considered by our Board, the interested Director shall abstain from voting at the relevant Board meeting of our Company in respect of such transaction or matter and shall not be counted towards the quorum of such meeting. Further, our Company's three independent non-executive Directors will bring independent judgement to the decision-making process of the Board. In addition, other non-director members of our management are independent from our Controlling Shareholders and carry out the business decisions of our Group independently.

Having considered the above, our Directors are satisfied that they are able to perform their roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders upon the Listing.

Operational Independence

We are independent from our Controlling Shareholders as we do not share operational capabilities with our Controlling Shareholders, and we have independent access to customers within the regions where we operate, as well as a substantially independent management team to handle our day-to-day operations.

Certain of our customers are also customers of the MAN Group, and *vice versa* (the "**Global Customers**"). Such Global Customers have either initially been customers of the MAN Group or our Group, and have become Global Customers due to their needs for similar services in other jurisdictions where the MAN Group or our Group operates. In the event a Global Customer which was initially a customer of the MAN Group requires services in Greater China, the MAN Group may refer such customer to our Group without any charge of referral fee or commission. There are similar reciprocal arrangements in respect of Global Customers which have initially been our customers. Neither the MAN Group or our Group is obliged to make such referral to each other or enter into contracts with the potential customers referred by the other. Contracts entered into with Global Customers referred to us by MAN will be negotiated independently by our Group without interference from MAN. As a result, we are of the view that despite the above arrangements which we consider in any event to be complementary to both MAN and our Group, our Group is capable of securing customer contracts independent of

our Controlling Shareholders. For each of the years ended December 31, 2016, 2017 and 2018, our revenue attributable to Global Customers referred to us by MAN amounted to approximately RMB1.8 million, RMB2.9 million and RMB2.9 million, respectively.

We have our own operational structure comprising various departments that function and make decisions independently from our Controlling Shareholders. The staff of these departments involved in the day-to-day operations of our Group, does not overlap with those of our Controlling Shareholders. We have separate office facilities from our Controlling Shareholders, including but not limited to our accounting and finance department, compliance function, information technology system and client relationship management system which stores all client information, apart from certain information technology services which will be provided by the Controlling Shareholders to our Group as disclosed in the section headed "Connected Transactions." We are also in possession of all relevant licenses necessary to carry on and operate our business and we have sufficient operational capacity in terms of capital and employees to operate independently from our Controlling Shareholders. We can formulate and execute operational decisions independently.

We maintain comprehensive internal controls and procedures to maintain effective and independent operations of our business and have adopted sound corporate governance practices, including procedures governing the conduct of general meetings, board meetings and board committee meetings, as well as internal assessment and reporting procedures for connected transactions.

Although we have entered into certain continuing connected transactions with our Controlling Shareholders which will continue after the Listing, including, among others, transactions in respect of trademark and proprietary product licensing and flexible staffing services, such transactions have been entered into and will continue to be entered into on normal commercial terms after arm's length negotiations and in the ordinary course of business of our Company. In addition, we consider that the MAN Deed of Non-competition, which we believe could be effectively implemented with the sufficient corporate governance measures in place, could mitigate any potential competition and conflicts of interests between our Group and the MAN Group after Listing. The details of the connected transactions that will continue after the Listing are set out in the section headed "Connected Transactions" in this prospectus.

Historically during the ordinary course of our business, our Group and the MAN Group have been providing project-based flexible staffing services to each other in the respective jurisdictions which each of our Group and the MAN Group operates in order to, among others, serve the needs of certain customers of the other with global presence as part of the relevant projects. Subject to the terms of the existing projects with customers, such arrangements will continue after the Listing and will constitute continuing connected transactions of our Group. The amounts in respect of the connected transactions relating to provision of such flexible staffing services were immaterial during the Track Record Period and are not expected to increase significantly after Listing. See the section headed "Connected Transactions" in this prospectus for further details. After the Listing, any business opportunities relating to the Restricted Activities in the Greater China region available to MAN or its close associates shall be offered or referred to our Company pursuant to the MAN Deed of Non-competition. There is similar reciprocal referral arrangement in the MAN Deed of Non-competition in respect of business opportunities available to us in the MAN Territories. As such, there will not be new

contracts in the future with customers for the provision of flexible staffing services covering territories outside of the Greater China region; whereas the MAN Group's new contracts with its customers for the provision of flexible staffing services in the future will not cover the Greater China region, and therefore we expect that apart from the transactions arising from the existing projects, which are disclosed as provision of project-based flexible staffing services expected to continue after the Listing in the section headed "Connected Transactions", there will not be any new continuing connected transactions of this nature between us and the MAN Group after the Listing, excluding renewals of existing contracts containing automatic renewal provisions.

Financial Independence

All amounts due from or due to our Controlling Shareholders not arising out of the ordinary course of business will be fully settled before Listing. As of the Latest Practicable Date, our Controlling Shareholders and their respective close associates had not provided any loans or any share pledge or guarantee in respect of any financing of our Group.

Accordingly, we believe we are financially independent of our Controlling Shareholders and their respective close associates. In addition, we have our own internal control systems, accounting and finance department and treasury function for cash receipts and payment which are independent from our Controlling Shareholders, as well as independent access to third-party financing.

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that it fully comprehends its obligations to act as our Shareholders' and our best interests as a whole. Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, we have implemented the following measures:

(a) as part of our preparation for the Global Offering, we have amended our Articles to comply with the Listing Rules. In particular, our Articles provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates has a material interest nor shall such Director be counted in the quorum for the voting;

(b) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the board meetings on matters in which such Director or his/her close associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(c) we are committed that our Board should include a balanced composition of executive and independent non-executive Directors. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in the section headed "Directors and Senior Management—Board of Directors—Independent non-executive Directors" in this prospectus;

(d) the corporate governance measures in relation to the implementation of the Deeds of Non-Competition as set out in the paragraphs headed "Non-Competition Undertakings" above in this section;

(e) the management structure of our Group includes our audit committee, remuneration committee and nomination committee, the written rules of each of which will require them to be alert to prospective conflict of interests and to formulate their proposals accordingly;

(f) pursuant to the Corporate Governance Code set out in Appendix 14 of the Listing Rules, our Directors, including our independent non-executive Directors, will be able to seek independent professional advice from external parties in appropriate circumstances at our Company's costs; and

(g) we have appointed Orient Capital (Hong Kong) Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

OVERVIEW

Upon Listing, the following transactions with our connected persons, which are transactions being carried out in the ordinary course of business of our Group and are expected to continue, will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Trademark and proprietary product licensing

In contemplation of the Listing, on June 20, 2019, MAN (as licensor), Manpower HK (as licensee) and our Company entered into an amended and restated brand license agreement (the "**Brand License Agreement**") to amend and restate the license agreement between MAN and our Company dated July 16, 2015 (the "**Original License Agreement**") and to novate all the rights and obligations of our Company under the Original License Agreement to Manpower HK. Pursuant to the Brand License Agreement, among others, MAN granted to Manpower HK an exclusive and non-transferable license to use certain trademarks and proprietary products solely for the purpose of and relating to, among others, the carrying on of our business within the Greater China region. Under the Brand License Agreement, Manpower HK has the right to sublicense the use of the licensed trademarks and proprietary products within the Greater China region to any other member of our Group (including our Company) from time to time, including our subsidiaries and their branches in the Greater China region from time to time, provided that (i) the entities so sublicensed must be a subsidiary or branch of our Company or a member of our Group; and (ii) the entities so sublicensed shall be subject to at least the same level of restrictions on the obligations as Manpower HK as licensee arising from the Brand License Agreement. The term of the Brand License Agreement shall be perpetual from the Listing Date for so long as MAN, directly or indirectly, remains a shareholder in Manpower HK or our Company of at least 0.1% of each of its issued shares. For details of our material licensed trademarks, see the section headed "Statutory and General Information—B.—Information About Our Business—2. Intellectual Property Rights of Our Group" in Appendix IV to this prospectus.

As required by Rule 14A.52 of the Listing Rules, the term of an agreement for a continuing connected transaction must not exceed three years, except in cases where the nature of the transaction requires the term of the related contract to be of a duration longer than three years. Our Directors are of the view that the trademarks and proprietary products licensed under the Brand License Agreement have been widely adopted in all the businesses and activities managed and operated by our Group and are generally known and recognized by the public. Such trademarks and proprietary products have become an important means of promoting our brand and image and the trademarks are key icons in all of our external promotion and marketing activities necessary for our business operations. A longer duration of the Brand License Agreement could avoid any unnecessary business interruption and help ensure the continuity of the brands and image of our Group, thereby ensuring the long-term development

and continuity of our business. Therefore, our Directors are of the view that it is justifiable, necessary and in line with normal business practice for the Brand License Agreement to be of an indefinite term.

The Sole Sponsor agrees with our Directors' reasons for requiring the Brand License Agreement to be of a longer term and is of the view that the entering into of agreement of this type with an indefinite term is in line with normal business practice.

Historical transaction amounts

Depending on the gross profit margin of the business lines which use the licensed trademarks and proprietary products, we shall pay to MAN royalty fees at the rate of 1.5% of (i) our revenue attributable to the line of business which has higher gross profit margin, primarily being headhunting business; or (ii) our gross profit attributable to the line of business which has lower gross profit margin, primarily being flexible staffing business. The royalty fees to be paid to MAN under the Brand License Agreement have been negotiated on an arm's length basis and are on normal commercial terms with reference to the historical royalty rate of such brand licensing arrangement. For each of the years ended December 31, 2016, 2017 and 2018, the aggregate amount of royalty fees in respect of such licensing arrangement was approximately RMB6.3 million, RMB7.0 million and RMB8.9 million, respectively.

Annual caps

Our Directors estimate that the maximum annual amounts for the transactions contemplated under the Brand License Agreement for the three years ending December 31, 2021 will not exceed approximately RMB11,904,000, RMB16,430,000 and RMB22,181,000, respectively. In determining such annual caps, we have considered the historical fee amounts and the estimated revenue and gross profit from our lines of business using the licensed trademarks and proprietary products, as well as taken into account the expected performance resulting from a new project which commenced in the fourth quarter of 2018, our increased capacity with the additional manpower after the Listing and our planned business expansion.

Listing Rules implications

MAN is one of our Controlling Shareholders and hence a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Brand License Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios (other than the profits ratio) for the transactions under the Brand License Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the Brand License Agreement would be subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Flexible staffing services provided to the MAN Group

In contemplation of the Listing, on June 13, 2019, our Company and MAN entered into a master services agreement (the "**Master Services Agreement**"), pursuant to which it was agreed that among others, our Group would continue to provide to the MAN Group flexible staffing services already existing as of the Listing Date in jurisdictions which our Group operates for a term commencing from the Listing Date until December 31, 2021. Such services include (i) project-based flexible staffing services where certain customers of the MAN Group have staffing needs within Greater China and we provide the relevant services to the MAN Group to enable it to serve such customers; and (ii) the staffing of a management staff in charge of project implementation who is based in Greater China and who serves the MAN Group in the territory. The scope of the Master Services Agreement also covers certain exempt continuing connected transactions, details of which are set out in "—Exempt Continuing Connected Transactions" below.

Historical transaction amounts

The service fees have been negotiated on an arm's length basis and on normal commercial terms, determined on a cost-plus basis with reference to factors including the costs of and the then prevailing market price for similar services, and no more or less favorable than such fees charged to third parties for similar services. For each of the years ended December 31, 2016, 2017 and 2018, the aggregate fees for the project-based services provided by our Group to the MAN Group was approximately RMB4.1 million, RMB3.8 million and RMB2.2 million, respectively. The decrease in fees in 2018 was due to the decrease in service demands of one project which is subject to seasonal fluctuation and is expected to increase in 2019. There was no historical transaction amount relating the staffing of a management staff as set out in (ii) above, as we started providing such services in early 2019.

Annual caps

Our Directors estimate that the maximum annual amounts receivable by our Group in respect of the provision of flexible staffing services contemplated under the Master Services Agreement for the three years ending December 31, 2021 will not exceed approximately RMB4,765,000, RMB6,195,000 and RMB8,054,000, respectively. In determining the above annual caps, we have adopted the same pricing basis as the historical fee amounts with reference to the expected inflation and the estimated demand for related services arising from the existing projects as well as relating to the relevant management staff working for the MAN Group in the three years ending December 31, 2021.

Apart from those described above, we expect there will not be any new continuing connected transactions with the MAN Group after the Listing in the same nature as (a) the project-based flexible staffing services as set out in (i) above, given the referral arrangements in respect of Competing Business Opportunities (as defined in the section headed "Relationship with our Controlling Shareholders" in this prospectus) pursuant to the MAN Deed of Non-competition. See the section headed "Relationship with our Controlling Shareholders" in this prospectus for further details; and (b) the staffing of a management staff as set out in (ii) above.

Listing Rules implications

MAN is one of our Controlling Shareholders and hence a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios (other than the profits ratio) for the provision of flexible staffing services to the MAN Group is expected to be more than 0.1% but less than 5% on an annual basis, such transactions contemplated under the Master Services Agreement would be subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

Pursuant to the Master Services Agreement, we and the MAN Group also agreed to enter into the following transactions for a term commencing from the Listing Date until December 31, 2021.

(1) Flexible staffing services provided by the MAN Group

Historically during the ordinary course of our business, we have been receiving project-based flexible staffing services from the MAN Group, which have arisen when certain customers of our Group have staffing needs in jurisdictions which the MAN Group operates and the MAN Group provides the relevant services to us to enable us to serve such customers. Such services existing as of the Listing Date will continue after the Listing. The historical service fees have been negotiated on an arm's length basis and on normal commercial terms, determined on a cost-plus basis with reference to factors including the costs of and the then prevailing market price for similar services, and no more or less favorable than such fees charged to third parties for similar services. For each of the years ended December 31, 2016, 2017 and 2018, the aggregate fee for such services was approximately RMB268,000, RMB459,000 and RMB641,000, respectively.

Upon Listing, the fees payable by our Group in respect of such services will be determined based on arm's length negotiations between the parties on the same pricing basis as the historical transactions set out above, with reference to the pending expiration of certain current contracts with our customers by 2019, the expected inflation and the estimated demand for related services arising from the existing projects in the coming three years. Our Directors estimate that the maximum annual amounts payable in respect of such services for the three years ending December 31, 2021 will not exceed approximately RMB657,000, RMB721,000 and RMB840,000, respectively.

Apart from the transactions arising from the projects existing as of the Listing Date which will continue after the Listing, we expect there will not be any further continuing connected transactions with the MAN Group in respect of such project-based flexible staffing services after the Listing, given the referral arrangements in respect of Competing Business Opportunities (as defined in the section headed "Relationship with our Controlling Shareholders" in this prospectus) pursuant to the MAN Deed of Non-competition. See the section headed "Relationship with Our Controlling Shareholders" in this prospectus for further details.

(2) Provision of information technology services

Historically during the ordinary course of our business, certain third party-owned software used by our Group was maintained through certain information technology services provided by the MAN Group to our Group, as the MAN Group possessed the related technical knowhow for maintenance of the related software. The related service fees have been determined with reference to factors including the costs of provision of the related services, the then prevailing market price for such services and the approximate time and manpower spent by the MAN Group. For each of the years ended December 31, 2016, 2017 and 2018, the aggregate fee for such services was approximately RMB205,000, RMB235,000 and RMB201,000, respectively.

Upon Listing, the fees payable by our Group in respect of such services will be determined based on arm's length negotiations between the parties on the same pricing basis as the historical transactions set out above, with reference to expected inflation and the estimated demand for related services in the coming three years. Our Directors estimate that the maximum annual amounts payable in respect of such information technology services for the three years ending December 31, 2021 will not exceed approximately RMB239,000, RMB310,000 and RMB403,000, respectively.

(3) Provision of management coordination services

Historically during the ordinary course of our business, we provided management coordination services to the MAN Group to coordinate the consistent implementation of business plans and project execution among the regional offices of the MAN Group and our Group in respect of the provision of HR consultancy services by the two groups in the Asia Pacific region. The fee for such services has been determined with reference to the costs of and the estimated time spent by the relevant personnel of our Group, calculated as a certain percentage of the remuneration of the related personnel. There were no historical transaction amounts for the years ended December 31, 2016 and 2017 as we only started the provision of such coordination services to the MAN Group in the first half of 2018. For the year ended December 31, 2018, the aggregate amount of fee for such services was approximately RMB443,000.

Upon Listing, the transaction amounts in relation to such services will be determined based on arm's length negotiations between the parties on the same pricing basis as the historical transactions set out above with reference to inflation and the estimated demand for related services in the coming three years. Our Directors estimate that the maximum annual amounts receivable in respect of the provision of the management coordination services for the three years ending December 31, 2021 will not exceed approximately RMB767,000, RMB997,000 and RMB1,296,000, respectively.

(4) Software licensing and maintenance services

Historically during the ordinary course of our business, we were granted use of certain software developed and owned by the MAN Group for our operation purpose to facilitate the provision of our HR consultancy services in the ordinary and usual course of our business. Ancillary maintenance services in respect of such software are also provided by the MAN Group. Pursuant to the Master Services Agreement, MAN will grant to us a non-exclusive license for continued use of such software and will continue to provide the related maintenance services to our Group. For the three years ended December 31, 2016, 2017 and 2018, the aggregate fee for such transaction was approximately RMB566,000, RMB831,000 and RMB649,000, respectively, which was determined with reference to the historical fee amounts, the fees charged by MAN to its other affiliates for the use and maintenance of the same software and the usage volume.

Upon Listing, the transaction amounts in relation to such arrangement will be determined based on arm's length negotiations between the parties on the same pricing basis as the historical transactions set out above with the reference to the estimated demand for related services in the coming three years. Our Directors estimate that the maximum annual amounts payable for the three years ending December 31, 2021 will not exceed approximately RMB797,000, RMB1,036,000 and RMB1,346,000, respectively.

(5) MEOS licensing

Historically during the ordinary course of our business, the MAN Group granted to us the use of MEOS, the market survey report in relation to global employment data and outlook published on a quarterly basis, for publicity and marketing purpose. Pursuant to the Master Services Agreement, MAN will grant to us a non-exclusive license to continued use of MEOS. Such reports are commissioned by the MAN Group and prepared by third party contractors. We are charged by MAN at amounts representing the portion of the related costs for such market survey reports relevant to the Greater China region in which we operate. For the years ended December 31, 2016, 2017 and 2018, the aggregate fee for such transaction was approximately RMB95,000, RMB86,000 and RMB90,000, respectively, which was charged on a cost basis based on arm's length negotiations between the parties.

Upon Listing, the transaction amounts for such arrangement will be determined based on arm's length negotiations between the parties on the same pricing basis as the historical transactions set out above. Our Directors estimate that with reference to the historical fee amounts and the estimated increase in the fees payable due to expected inflation and anticipated increases in cost of the related reports, the maximum annual amounts payable for the three years ending December 31, 2021 will not exceed approximately RMB129,000, RMB167,000 and RMB218,000, respectively.

Listing Rules implications

MAN is one of our Controlling Shareholders and hence a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the applicable percentage ratios (other than the profits ratio) for (i) provision of flexible staffing services by the MAN Group; (ii) provision of information technology services; (iii) provision of management coordination services; (iv) software licensing and maintenance services and (v) MEOS licensing under the Master Services Agreement is expected to be less than 0.1%, such transactions would constitute *de minimis* continuing connected transactions of our Company that will be exempted from reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVERS

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules pursuant to Rule 14A.105 of the Listing Rules in respect of each of the non-exempt continuing connected transactions described above subject to the value of such non-exempt continuing connected transactions for each financial year not exceeding the relevant annual caps amount stated above. Should there be any material changes to the terms thereunder, or should there be any other agreements to be entered into between our Group and the connected persons of our Company, or upon expiry of such waivers, we will comply with the applicable requirements under the Listing Rules and may apply for relevant waivers (where applicable).

DIRECTORS' VIEW

Our Directors, including the independent non-executive Directors, consider that (i) the non-exempt continuing connected transactions described in this section have been and will be entered into on normal commercial terms, are fair and reasonable, and are in the interests of our Company and our Shareholders as a whole; and (ii) the annual caps thereof are fair and reasonable and in the interest of our Group and our Shareholders as a whole.

Save as disclosed in this section, our Directors currently do not expect that immediately following the Listing, there will be any other transaction which will constitute a continuing connected transaction of our Company under the Listing Rules.

SOLE SPONSOR'S VIEW

The Sole Sponsor is of the view that the non-exempt continuing connected transactions described in this section have been entered into in the ordinary and usual course of our business, are on normal commercial terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps for the transactions referred to in this section are fair and reasonable, and in the interest of our Company and our Shareholders as a whole.

PAYMENTS BY OUR GROUP TO CONNECTED PERSONS WHICH DO NOT CONSTITUTE CONTINUING CONNECTED TRANSACTIONS

Our Group and the MAN Group have been coordinating efforts to obtain (i) insurance coverage; and (ii) information technology products and services from third party service providers in the ordinary and usual course of business. These arrangements will continue after the Listing. Such arrangements permit our Group and the MAN Group to leverage our combined negotiating power for such coverage or services, while the costs thereof have been and will be allocated between the two groups on a fair and equitable basis.

With respect to insurance coverage, MAN has executed various insurance policies that provide global coverage for its subsidiaries from time to time, as well as for certain members of our Group. We bear the portion of the premiums charged proportionally to our share of the insurance coverage.

With respect to information technology products and services, MAN has entered into various enterprise level agreements with third party software owners in order to meet the combined requirements of its subsidiaries, as well as the requirements of members of our Group, with respect to the usage and/or maintenance of third party-owned programmes and software. We bear the portion of the related costs proportionate to our share of the use of such information technology products and services.

For all of the above arrangements, MAN has historically paid to the relevant third parties the full amount of the service fees and subsequently charged the relevant portion of our fees to us without any premium. Going forward, such arrangements are expected to continue so that both our Group and the MAN Group could continue to enjoy the benefits set out above.

The above arrangements do not constitute continuing connected transactions between our Group and the MAN Group as the MAN Group does not provide our Group with any services or products pursuant to such arrangements and *vice versa*.

Our Board consists of eight Directors, of whom one is an executive Director, four are non-executive Directors and three are independent non-executive Directors. We have entered into a service agreement with our executive Director, as well as letters of appointment with each of our non-executive Directors and independent non-executive Directors. Our executive Director and members of our senior management team are responsible for the day-to-day operations and management of the business of our Group. None of our Directors and senior management have any relationship with any other Director or member of our senior management.

The table below shows certain information in respect of members of our Board and senior management:

Members of our Board

Name	Age	Date of joining our Group	Date of appointment as Director	Position	Roles and responsibilities
YUAN Jianhua (袁建華)	43	July 8, 2003	September 26, 2014	Executive Director, chief executive officer and president	Formulating overall strategic decisions, business planning and major operational decisions
Darryl E GREEN	58	October 11, 2007	August 28, 2015	Non-executive Director and chairman	Providing strategic guidance for the overall development of our Group
Sriram CHANDRASEKAR	53	August 28, 2015	August 28, 2015	Non-executive Director	Providing strategic guidance for the overall development of our Group
ZHANG Yinghao (張迎昊)	42	August 28, 2015	August 28, 2015	Non-executive Director	Providing strategic guidance for the overall development of our Group
ZHAI Feng (翟鋒)	51	August 28, 2015	August 28, 2015	Non-executive Director	Providing strategic guidance for the overall development of our Group

Name	Age	Date of joining our Group	Date of appointment as Director	Position	Roles and responsibilities
Thomas YEOH Eng Leong (楊永亮)	56	March 15, 2019	March 15, 2019	Independent non-executive Director	Providing independent advice to our Board
WONG Man Lai Stevie (黃文麗)	49	March 15, 2019	March 15, 2019	Independent non-executive Director	Providing independent advice to our Board
Victor HUANG (黃偉德)	48	March 15, 2019	March 15, 2019	Independent non-executive Director	Providing independent advice to our Board

Members of our senior management

Name	Age	Date of joining our Group	Date of appointment as senior management	Position	Roles and responsibilities
YUAN Jianhua (袁建華)	43	July 8, 2003	July 1, 2009	Executive Director, chief executive officer and president	Overall operations of our Group
CUI Zhihui (崔志輝)	43	January 25, 2016	January 25, 2016	Chief financial officer	Overall business operations and financial management of our Group

BOARD OF DIRECTORS

Executive Director

Mr. YUAN Jianhua (袁建華), aged 43, was appointed as our Director on September 26, 2014 and re-designated as our executive Director on January 18, 2019. Mr. Yuan is primarily responsible for formulating overall strategic decisions, business planning and major operational decisions. Since January 2015, Mr. Yuan has served as president of Manpower China and was later appointed as its chief executive officer in September 2015 and is responsible for overseeing our operations within the Greater China region. He also holds directorship in a number of our subsidiaries.

Mr. Yuan first joined Manpower China in July 2003. From then to July 2009, Mr. Yuan served as business director at Manpower China and was responsible for the management of the finance, legal, information technology departments and our business operations with government clients. From July 2009 to October 2012, he served as managing director of Manpower China and was responsible for overseeing the management of our business operations within the PRC. From December 2012 to December 2014, Mr. Yuan also served as chief operating officer of the Asia Pacific and Middle East region at MAN and was responsible for overseeing the regional operations and functions.

Prior to joining Manpower China, from August 1999 to July 2003, Mr. Yuan worked at DHL-Sinotrans International Air Courier Ltd. (中外運－敦豪國際航空快件有限公司), a company specializing in express courier services, where he last served in a management position.

Mr. Yuan obtained a bachelor's degree of economics in accounting from Donghua University (東華大學) (formerly known as China Textile University (中國紡織大學)) in the PRC in July 1998 and a master's degree in business administration from Fudan University (復旦大學) in the PRC in January 2005. He has been a non-practising member of the Shanghai Institute of Certified Public Accountants since December 2009.

Mr. Yuan was a supervisor of Shanghai ManpowerGroup Business Services Co., Ltd. (上海萬寶盛華商務服務有限公司), a company established in the PRC and was deregistered on February 3, 2008. Mr. Yuan was a director of Shanghai Wanbao Kaidi Enterprise Consulting Co., Ltd. (上海萬寶愷迪企業諮詢有限公司), a company established in the PRC and was deregistered on May 7, 2019. He was also a director Wanbaohua Enterprise Consulting (Shanghai) Co., Ltd. (萬寶華企業諮詢(上海)有限公司), a company established in the PRC, which was deregistered on May 21, 2019. Mr. Yuan confirmed that each of the above companies was solvent prior to its deregistration and was deregistered as it had not commenced business since establishment or had ceased to conduct business. He further confirmed that, as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the deregistration of each of the above companies.

Non-executive Directors

Mr. Darryl E GREEN, aged 58, was appointed as our chairman and Director on August 28, 2015 and re-designated as our non-executive Director on January 18, 2019. Mr. Green is primarily responsible for providing strategic guidance for the overall development of our Group. He has also served as director of Manpower BVI, Manpower HK, Manpower Services HK and ManpowerGroup Solutions HK. From October 2007 to January 2013, he was chairman of Manpower China and then served as its director until August 2014.

Mr. Green first joined the MAN Group in May 2007. From then to December 2008, he served as executive vice president for MAN and president of Asia Pacific region. From January 2009 to October 2012, he served as executive vice president and president of Asia Pacific Middle East region at MAN and was promoted to president at MAN in November 2012. From May 2014 to August 2018, he served as president and chief operating officer at MAN and was primarily responsible for operational performance of its four regions including Americas, Asia Pacific Middle East, Southern and Northern Europe. Since July 2007, Mr. Green has served as non-executive chairman of ManpowerGroup Co Ltd in Japan, a subsidiary of MAN.

Prior to joining the MAN Group, in November 1999, Mr. Green joined Asia Global Crossing Ltd, a telecommunications carrier, as president for Japan. From 2001 to October 2003, Mr. Green served as chief executive officer at J-Phone Co., Ltd. in Japan (the name of which was subsequently changed to Vodafone K.K. in October 2003), where he was primarily responsible for overall management and its operational performance. From then to June 2004, Mr. Green served as chief executive officer at Vodafone K.K. (currently known as SoftBank Corp.), a company specializing in the provision of telecommunications services . From June 2005 to May 2007, Mr. Green served as chief executive officer at Tata Teleservices Limited, a company specializing in the provision of broadband and telecommunications services.

Mr. Green obtained a bachelor's degree of arts from Brigham Young University in the United States in April 1984. He also obtained a master's degree of business administration from the Tuck School of Business at Dartmouth (formerly known as Amos Tuck School of Business Administration) in the United States in June 1989.

Mr. Sriram CHANDRASEKAR, aged 53, was appointed as our Director on August 28, 2015 and re-designated as our non-executive Director on January 18, 2019. Mr. Chandrasekar is primarily responsible for providing strategic guidance for the overall development of our Group. He has also served as director of Manpower BVI, Manpower HK, Manpower Services HK and ManpowerGroup Solutions HK.

Mr. Chandrasekar joined the MAN Group as chief operating officer for the Asia Pacific region in April 2008 and was promoted to the senior vice president of operational excellence and IT in October 2012. From February 2014 to December 2018, Mr. Chandrasekar served as executive vice president of operational excellence and IT and president of Asia Pacific Middle East region at MAN. He has continued to serve as executive vice president of operational excellence, technology and transformation at MAN since January 2019. He has also served as global brand leader for the Experis brand at MAN since January 2016.

Prior to joining the MAN Group, from January 1999 to April 2008, Mr. Chandrasekar worked at Sterling Infotech, a group with interests in telecommunications and other sectors, where he last served as chief operating officer.

Mr. Chandrasekar obtained a bachelor's degree of commerce and a master's degree of commerce both from the University of Madras in India in May 1986 and October 1989, respectively. In August 1992, he obtained a master's degree in professional accounting from Georgia State University in the United States.

Mr. ZHANG Yinghao (張迎昊), aged 42, was appointed as our Director on August 28, 2015 and was re-designated as our non-executive Director on January 18, 2019. He is responsible for providing strategic guidance for the overall development of our Group. Mr. Zhang has been serving as managing director at CITIC Private Equity Funds Management Co., Ltd. (中信產業投資基金管理有限公司) ("**CITICPE**") since January 2011, a company that specializes in asset management, where he was primarily responsible for managing private equity investments in commercial services sector and the daily operations of the commercial services investment department.

From August 2004 to 2009, Mr. Zhang worked at China Life Insurance Co., Ltd. (中國人壽保險股份有限公司), a company specializing in insurance services, where he last served as division manager in the investment management department. From January 2009 to December 2010, Mr. Zhang served as investment director at CITICPE, where he was primarily responsible for managing private equity investments in various sectors. From 2016 to 2017, Mr. Zhang served as director of BEST Inc., a company later listed on the NYSE (stock code: BSTI) and specializing in logistics and supply services in the PRC. Since November 2016, Mr. Zhang has also served as director of CIIC Guanaitong (Shanghai) Technology Co., Ltd. (中智關愛通(上海)科技股份有限公司), an employee benefit solutions provider listed on the National Equities Exchange and Quotations Co., Ltd. (stock code: 871282).

Mr. Zhang obtained a bachelor's degree in economic geography and urban and rural planning from Henan University (河南大學) in the PRC in July 1998. He also obtained a master's degree in management from The University of Lancaster in the United Kingdom in November 2001 and a master's degree in finance from The University of Manchester in the United Kingdom in November 2002.

Mr. Zhang was a director of Horgos Chinatopcredit Information Technology Co., Ltd. (霍爾果斯中騰信信息科技有限公司) ("**Horgos Chinatopcredit**"), a company established in the PRC and was deregistered on December 3, 2018. Mr. Zhang confirmed that such company was solvent prior to its deregistration and was deregistered as it had not commenced business since establishment. He further confirmed that, as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the deregistration of Horgos Chinatopcredit.

Mr. ZHAI Feng (翟鋒), aged 51, was appointed as our Director on August 28, 2015 and was re-designated as our non-executive Director on January 18, 2019 and is primarily responsible for providing strategic guidance for the overall development of our Group. Mr. Zhai has been serving as managing director and head of the investment management department at CITICPE since January 2013, a company that specializes in asset management, where he is primarily responsible for management and operation related matters after investments.

From July 1991 to November 2012, Mr. Zhai worked at Procter & Gamble (China) Sales Co. Ltd. (寶潔(中國)有限公司), a company specializing in the production and sale of consumer products, where he last served as president of sales in Greater China. Mr. Zhai has served as director of Shaanxi Tourism Culture Industry Holding Co. Ltd. (陝西旅遊文化產業股份有限公司) ("**Shaanxi Tourism**"), an integrated tourism company (stock code: 870432), and CIIC Guanaitong (Shanghai) Technology Co., Ltd. (中智關愛通(上海)科技股份有限公司), an employee benefit solutions provider (stock code: 871282), both listed on the National Equities Exchange and Quotations Co., Ltd., since December 2015 and November 2016, respectively. Since October 2014, he has served as director of Weihai Guangwei Composites Co., Ltd. (威海光威複合材料股份有限公司), a company principally engaged in research, development and production of carbon fiber and composite materials and listed on the Shenzhen Stock Exchange (stock code: 300699). Since December 2017, he has served as director of Beijing Hualian Department Store Co., Ltd (北京華聯商廈股份有限公司), a company principally engaged in operation and management of shopping mall and cinema and listed on the Shenzhen Stock Exchange (stock code: 000882).

Mr. Zhai obtained a bachelor's degree in environmental engineering from Tongji University (同濟大學) in the PRC in July 1991.

Mr. Zhai was a director of Shaanxi Tourism Cultural Industry Development Co. Ltd (陝西旅遊文化產業發展股份有限公司), a company established in the PRC which was deregistered on June 30, 2016 as a result of merger by absorption by Shaanxi Tourism. He was also a director of Horgos Chinatoporedit, a company established in the PRC and was deregistered on December 3, 2018. Mr. Zhai was a director of Panxin Rongtai (Shanghai) Asset Management Co., Ltd. (磐信鎔泰(上海)資產管理有限公司), a company established in the PRC and was deregistered on January 29, 2019. Mr. Zhai confirmed that each of the above companies was solvent prior to its deregistration and was deregistered as it had not commenced business since establishment or had ceased to conduct business. He further confirmed that, as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the deregistration of each of the above companies.

Independent non-executive Directors

Mr. Thomas YEOH Eng Leong (楊永亮), aged 56, was appointed as our independent non-executive Director on March 15, 2019. Mr. Yeoh is responsible for providing independent advice to our Board.

Mr. Yeoh has over 25 years of experience in public service, private sector and capital markets. Since January 2010, he has served as director of corporate development at Phillip Securities Pte Ltd., a retail stock broker in Singapore, where he was primarily responsible for the business development. Prior to taking up his current position, he worked at Economic Development Board of Singapore and was promoted as regional director (Europe) in April 1994. In September 1997, he was seconded to National Computer Board of Singapore as director of industry and manpower development while he also served as chief information officer at Economic Development Board of Singapore. In May 1998, he was appointed as assistant chief executive (industry) at National Computer Board of Singapore. In January 2000, he joined WPV/SA/NSTB Fund as general partner, a fund established by Warburg Pincus and National Science and Technology Board of Singapore focused on IT investment in Singapore. In August 2000, Mr. Yeoh was appointed as non-executive director of Boardroom Limited, a professional business services provider listed on the Singapore Exchange (SGX: B10), and served as its managing director and chief executive officer from January 2003 to September 2006.

Mr. Yeoh obtained a bachelor's degree in engineering from University of Malaya in Malaysia in August 1986, and master's degree in business administration from The City University of London in the United Kingdom in April 1995.

Mr. Yeoh was a director of the following companies which were dissolved as the companies had ceased to conduct business or had not commenced business since incorporation:

Company	Place of incorporation	Means of dissolution	Date of dissolution
EDMS Pte Ltd	Singapore	Dissolved by members' voluntary winding up	April 5, 2004
Ecpod Pte Ltd	Singapore	Dissolved by members' voluntary winding up	April 6, 2004
Enterprise Printing Solutions Pte Ltd	Singapore	Dissolved by members' voluntary winding up	April 6, 2004
IASIA Consulting Pte. Ltd.	Singapore	Struck off	June 30, 2004
IASIA Alliance Capital Ltd	Cayman Islands	Struck off	October 30, 2009
IASIA Alliance Capital Pte Ltd	Singapore	Struck off	January 15, 2010
Asia HR Limited (亞洲人才有限公司)	Hong Kong	Deregistration pursuant to section 291AA of the then predecessor Companies Ordinance	April 26, 2013
Fortressgb Asia Pte. Ltd.	Singapore	Struck off	September 6, 2013
Ecobao Energy Pte. Ltd.	Singapore	Struck off	July 13, 2015
NYP Ventures Pte Limited	Singapore	Struck off	January 8, 2018

Mr. Yeoh confirmed that, to the best of his knowledge and belief, the above companies were solvent prior to their respective dissolutions and as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the dissolution of each of the above companies.

Ms. WONG Man Lai Stevie (黃文麗), aged 49, was appointed as our independent non-executive Director on March 15, 2019. Ms. Wong is responsible for providing independent advice to our Board.

Ms. Wong has over 26 years of experience in management, marketing and sales, operations and product innovation. Since September 2017, she has served as chief executive officer, Greater China at Inchcape Hong Kong Limited, a distributor and retailer in the premium and luxury automotive sectors. From July 1992 to June 2013, she worked at Procter & Gamble Company, a global fast moving consumer goods group listed on the New York Stock Exchange (NYSE: PG), holding positions including assistant brand manager, brand manager, marketing director, general manager and vice president. From October 2013 to March 2017, she served as chief executive officer at Water Oasis Group Limited, a beauty services and product provider listed on the Main Board of the Stock Exchange (stock code: 1161).

Ms. Wong obtained a bachelor's degree of business administration in marketing from The Chinese University of Hong Kong in December 1992.

Mr. Victor HUANG (黃偉德), aged 48, was appointed as our independent non-executive Director on March 15, 2019. Mr. Huang is responsible for providing independent advice to our Board.

Mr. Huang has over 26 years of experience in finance, accounting and transaction services. He joined PricewaterhouseCoopers in Hong Kong in January 1993 and became its partner in July 2005. From July 2014 to August 2017, he served as partner at KPMG in Hong Kong. Mr. Huang has served as independent non-executive director of LBX Pharmacy Chain Co., Ltd. (老百姓大藥房連鎖股份有限公司), a pharmacy chain operator listed on the Shanghai Stock Exchange (stock code: 603883), and Trinity Limited (利邦控股有限公司), a company principally engaged in the retailing of premium menswear in Greater China and Europe as well as licensing of its major brands globally and listed on the Main Board of the Stock Exchange (stock code: 891), since February 2018 and December 2018, respectively. He has also been an independent non-executive director of Qingdao Haier Biomedical Co., Ltd. (青島海爾生物醫療股份有限公司), a biological science and technology solutions provider, since August 2018.

Mr. Huang obtained a bachelor's degree of arts in economics and business from University of California, Los Angeles in the United States in September 1992. He was admitted as an associate of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) in June 1996. He was also certified as a qualified independent director of the Shanghai Stock Exchange in June 2018.

Mr. Huang was a director of Orient Spread Investment Limited (東翔投資有限公司), a company incorporated in Hong Kong which was solvent prior to its dissolution and was deregistered on February 24, 2006 pursuant to section 291AA of the then predecessor Companies Ordinance as it had ceased to conduct business. Mr. Huang confirmed that, as of the Latest Practicable Date, no claims have been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the dissolution of Orient Spread Investment Limited.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needed to be brought to the attention of our Shareholders and there was no information relating to our Directors that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date. Save as disclosed above, none of our Directors has been a director of other listed entities in the three years immediately preceding the date of this prospectus.

SENIOR MANAGEMENT

Mr. YUAN Jianhua (袁建華), aged 43, is our chief executive officer and president. He is also our executive Director. See "—Board of Directors—Executive Director" above.

Mr. CUI Zhihui (崔志輝), aged 43, has served as our chief financial officer since January 2016 and is responsible for overseeing the management of our financial affairs within the Greater China region. He also holds directorship in a number of our subsidiaries.

Prior to joining Manpower China, a now subsidiary of our Group, from March 2007 to January 2016, Mr. Cui served as chief financial officer at Capgemini Business Service (China) Co., Ltd. (廣東凱捷商業數據處理服務有限公司), a company specializing in business process outsourcing and information technology services, where he was primarily responsible for overseeing the management of financial affairs.

Mr. Cui obtained a master's degree in business administration from the City University of Macau (formerly known as Asia International Open University (Macau)) in Macau in August 2001. Mr. Cui was admitted as a fellow of The Chartered Institute of Management Accountants in September 2015.

Save as disclosed above, none of our senior management members has been a director of any other listed entities in the three years immediately preceding the date of this prospectus.

JOINT COMPANY SECRETARIES

Ms. GAO Xingyue (高星月), was appointed as our joint company secretary on January 18, 2019. Ms. Gao has served as strategic manager of Manpower China since September 2018 and is responsible for capital operation and company secretarial matters, investor relations, strategic management and external and internal coordination affairs. Prior to joining our Group, from June 2016 to June 2018, she served as senior associate at Guoguang Global Asset Management Co., Ltd. (國廣環球資產管理有限公司), an asset management company where she was primarily responsible for merger and acquisition activities, due diligence, deal structuring and post-investment management.

Ms. Gao obtained a bachelor's degree of arts in accounting and finance from University of Exeter in the United Kingdom in July 2014 and a master's degree of science in project and enterprise management from University College London in the United Kingdom in November 2015.

Ms. WONG Yee Man (黃綺汶) was appointed as our joint company secretary on January 18, 2019. Ms. Wong is currently a manager of Corporate Services of Vistra Corporate Services (HK) Limited, a professional provider of corporate services. She has had over eight years of experience in providing company secretarial and compliance services to private and listed companies.

Ms. Wong obtained a bachelor's degree of science majoring in risk management from The University of Hong Kong and a master's degree of science in professional accounting and corporate governance from City University of Hong Kong. She has been an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Institute of Chartered Secretaries and Administrators in the United Kingdom since 2012.

BOARD COMMITTEES

Audit Committee

Our Company has established the audit committee on June 5, 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules. The audit committee consists of five members, namely, Mr. Sriram CHANDRASEKAR, Mr. ZHAI Feng, Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG. Mr. Victor HUANG has been appointed as the chairman of the audit committee, and is our independent non-executive Director with the appropriate professional qualifications. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting system, risk management and internal control systems of our Group, to oversee the audit process, to develop and review our policies and to perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

Our Company has established the remuneration committee on June 5, 2019 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph B.1 of the CG Code as set out in Appendix 14 to the Listing Rules. The remuneration committee has five members, namely, Mr. Darryl E GREEN, Mr. ZHANG Yinghao, Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG. Mr. Thomas YEOH Eng Leong has been appointed as the chairman of the remuneration committee. The primary duties of the remuneration committee are to establish and review the policy and structure of the remuneration for our Directors and senior management and make recommendations on employee benefit arrangement.

Nomination Committee

Our Company has established the nomination committee on June 5, 2019 with written terms of reference in compliance with paragraph A.5 of the CG Code as set out in Appendix 14 to the Listing Rules. The nomination committee consists of five members, namely, Mr. Darryl E GREEN, Mr. ZHANG Yinghao, Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG. Ms. WONG Man Lai Stevie has been appointed as the chairman of the nomination committee. The primary duties of the nomination committee are to make recommendations to our Board on the appointment of members of our Board.

CORPORATE GOVERNANCE CODE

Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve effective accountability.

Our Company has adopted the CG Code. Our Company is committed to the view that the Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

Our Directors are aware that upon Listing, we are expected to comply with such code provision. Any such deviation shall however be carefully considered, and the reasons for such deviation shall be given in the interim report and the annual report in respect of the relevant period. We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders as a whole. We will comply with the code provisions set out in the CG Code in Appendix 14 to the Listing Rules after the Listing.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate remuneration (including fees, salaries, allowances and other benefits, retirement benefit scheme contributions, performance related bonus) paid to our Directors for each of the three years ended December 31, 2016, 2017 and 2018 was approximately RMB3.7 million, RMB4.8 million and RMB5.5 million, respectively. Save as disclosed in this prospectus, no other amounts have been paid or are payable by any member of our Group to our Directors during the Track Record Period.

The remuneration (including salaries, allowances and other benefits, retirement benefit scheme contributions and performance related bonus) paid to our Company's five highest paid individuals included one, one and one Director for each of the three years ended December 31, 2016, 2017 and 2018, respectively.

No remuneration was paid by our Group to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of each of the three years ended December 31, 2016, 2017 and 2018. Further, none of our Directors had waived or agreed to waive any remuneration during the same periods.

Under the arrangement currently in force, the aggregate remuneration (including fees, salaries, allowances and other benefits, retirement benefit scheme contributions and performance related bonus) of our Directors for the year ending December 31, 2019 is estimated to be no more than RMB7.75 million. Our Board will review and determine the remuneration and compensation packages of our Directors and senior management which, following the Listing, will receive recommendation from the remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme on June 5, 2019. For details of the Share Option Scheme, please see the section headed "D. Other Information—1. Share Option Scheme" in Appendix IV to this prospectus.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve diversity on our Board. Our Company recognizes and embraces the benefits of having a diversed Board and sees increasing diversity at Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of

factors, including but not limited to talent, skills, experience, independence and knowledge. Our Company will also take into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

COMPLIANCE ADVISOR

Our Company has appointed Orient Capital (Hong Kong) Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise our Company in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;

(c) where our Company proposes to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and

(d) where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules.

The term of the appointment of our compliance advisor shall commence on the Listing Date and end on the date on which our Company distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

So far as our Directors are aware, immediately following the completion of the Global Offering and the Capitalization Issue and assuming that the Over-allotment Option and any options which may be granted under the Share Option Scheme are not exercised, the following persons will have an interest or a short position in our Shares which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interest in 10% of more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or the member(s) of our Group.

LONG POSITIONS IN OUR SHARES

		Immediately prior to the completion of the Global Offering and the Capitalization Issue		Immediately upon completion of the Global Offering and the Capitalization Issue	
Name of shareholder	**Nature of interest**	**Number of Shares**	**Approximate percentage of interest in our Company**	**Number of Shares**	**Approximate percentage of interest in our Company**
Manpower Holdings, Inc.	Beneficial owner	4,126,800	27.69%	41,539,168	20.77%
Manpower Nominees Inc.	Beneficial owner	3,473,200	23.31%	34,960,220	17.48%
ManpowerGroup Inc.[(1)]	Interest in controlled corporations	7,600,000	51.00%	76,499,388	38.25%
CM Phoenix Tree Limited[(2)]	Beneficial owner	7,302,080	49.00%	73,500,612	36.75%
CM Phoenix Tree II Limited[(2)]	Interest in controlled corporation	7,302,080	49.00%	73,500,612	36.75%
CPEChina Fund II, L.P.[(2)]	Interest in controlled corporation	7,302,080	49.00%	73,500,612	36.75%
CITIC PE Associates II, L.P.[(2)]	Interest in controlled corporation	7,302,080	49.00%	73,500,612	36.75%
CITIC PE Funds II Limited[(2)]	Interest in controlled corporation	7,302,080	49.00%	73,500,612	36.75%
CITICPE Holdings Limited[(2)]	Interest in controlled corporation	7,302,080	49.00%	73,500,612	36.75%

		Immediately prior to the completion of the Global Offering and the Capitalization Issue		Immediately upon completion of the Global Offering and the Capitalization Issue	
Name of shareholder	Nature of interest	Number of Shares	Approximate percentage of interest in our Company	Number of Shares	Approximate percentage of interest in our Company
CLSA Global Investments Management Limited[(2)]	Interest in controlled corporation	7,302,080	49.00%	73,500,612	36.75%
CLSA, B.V.[(2)]	Interest in controlled corporation	7,302,080	49.00%	73,500,612	36.75%
CITIC Securities International Company Limited[(2)]	Interest in controlled corporation	7,302,080	49.00%	73,500,612	36.75%
CITIC Securities Company Limited[(2)]	Interest in controlled corporation	7,302,080	49.00%	73,500,612	36.75%

Notes:

(1) Manpower Holdings, Inc. and Manpower Nominees Inc. are wholly owned by ManpowerGroup Inc. and therefore ManpowerGroup Inc. is deemed to be interested in the Shares held by Manpower Holdings, Inc. and Manpower Nominees Inc.

(2) CM Phoenix Tree Limited is owned as to approximately 91.17% by CM Phoenix Tree II Limited. CM Phoenix Tree II Limited is owned as to approximately 86.33% by CPEChina Fund II, L.P.. The general partner of CPEChina Fund II, L.P. is CITIC PE Associates II, L.P., an exempted limited partnership registered under the laws of the Cayman Islands whose general partner is CITIC PE Funds II Limited. CITIC PE Funds II Limited is wholly owned by CITICPE Holdings Limited, which is held as to 35% by CLSA Global Investments Management Limited. CLSA Global Investments Management Limited is wholly owned by CLSA, B.V., which is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities Company Limited, a company listed on both the Stock Exchange and the Shanghai Stock Exchange. Therefore, each of CM Phoenix II Limited, CPEChina Fund II, L.P., CITIC PE Associates II, L.P., CITIC PE Funds II Limited, CITICPE Holdings Limited, CLSA Global Investments Management Limited, CLSA, B.V., CITIC Securities International Company Limited and CITIC Securities Company Limited is deemed to be interested in the Shares held by CM Phoenix Tree Limited.

LONG POSITIONS IN SHARES OF OTHER MEMBER(S) OF OUR GROUP

			Immediately prior to the completion of the Global Offering and the Capitalization Issue		Immediately upon completion of the Global Offering and the Capitalization Issue	
Name	Company concerned	Capacity/ Nature of interest	Number of shares	Approximate percentage of shareholding	Number of shares	Approximate percentage of shareholding
Lee Chun Man	Event Elite Production and Promotion Limited	Beneficial owner	4,201	29.41%	4,201	29.41%
Yeung Cheung Sang	Event Elite Production and Promotion Limited	Beneficial owner	2,800	19.60%	2,800	19.60%
Manpower Holdings, Inc.	ManpowerGroup Solutions Holdings Hong Kong Limited	Beneficial owner	39,994	40.00%	39,994	40.00%
ManpowerGroup Inc.(1)	ManpowerGroup Solutions Holdings Hong Kong Limited	Interest in controlled corporation	39,994	40.00%	39,994	40.00%
Xi'an Fengan Industrial Co., Ltd (西安豐安實業有限責任公司) ("**Xi'an Fengan**")	Xi'an Foreign Enterprise Service Co., Ltd.	Beneficial owner	N/A	16%	N/A	16%
Chen Renkuan(2)	Xi'an Foreign Enterprise Service Co., Ltd.	Interest in controlled corporation	N/A	16%	N/A	16%
Han Dean	Xi'an Foreign Enterprise Service Co., Ltd.	Beneficial owner	N/A	11%	N/A	11%
Han Jiafeng	Xi'an Foreign Enterprise Service Co., Ltd.	Beneficial owner	N/A	10%	N/A	10%

Notes:

(1) Manpower Holdings, Inc. is wholly owned by ManpowerGroup Inc., and therefore ManpowerGroup Inc. is deemed to be interested in its shares in ManpowerGroup Solutions Holdings Hong Kong Limited.

(2) Xi'an Fengan is owned as to approximately 60.85% by Chen Renkuan, and therefore Chen Renkuan is deemed to be interested in its shares in Xi'an Foreign Enterprise Service Co., Ltd.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following completion of the Global Offering and the Capitalization (assuming that the Over-allotment Option and any options which may be granted under the Share Option Scheme are not exercised), have an interests or position in our Shares or underlying Shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Group.

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Global Offering and the Capitalization Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme):

		Nominal value *(HK$)*
Authorized share capital:		
1,520,000,000	Shares of HK$0.01 each	15,200,000
Shares issued and to be issued, fully paid or credited as fully paid:		**Nominal value** *(HK$)*
14,902,080	Shares in issue as of the date of this prospectus	149,020.8
135,097,920	Shares to be issued pursuant to the Capitalization Issue	1,350,979.2
50,000,000	Shares to be issued pursuant to the Global Offering	500,000
200,000,000	Total	2,000,000

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the issue of Shares pursuant to the Global Offering and Capitalization Issue are made. It takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme, or any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKING

The Offer Shares will be ordinary shares in the share capital of our Company and will carry the same rights in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Capitalization Issue.

SHARE OPTION SCHEME

Pursuant to the written resolutions of the Shareholders of our Company dated June 5, 2019, we conditionally adopted the Share Option Scheme. Please refer to the Section headed "D. Other Information—1. Share Option Scheme" in Appendix IV to this prospectus for details of the principal terms of the Share Option Scheme.

GENERAL MANDATE TO ALLOT AND ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares with a total number of issued share of not more than the sum of:

- 20% of the total number of Shares in issue immediately following completion of the Global Offering and the Capitalization Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme); and

- the total number of Shares repurchased by us (if any) under the authority, see "—General Mandate to Repurchase Shares."

Our Directors may, in addition to our Shares which they are authorized to issue under this general mandate, allot, issue or deal with Shares under a rights issue, scrip dividend scheme or similar arrangement.

This general mandate to issue Shares will expire at the earliest of:

(i) the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;

(ii) the expiration of the period within which our Company's next annual general meeting is required by the Memorandum and Articles of Association or any other applicable laws to be held; or

(iii) the date on which it is varied or revoked by an ordinary resolution of our Shareholders passed in a general meeting.

See the section headed "Statutory and General Information—A. Further Information about our Group—3. Resolutions in writing of the Shareholders of our Company in Appendix IV to this prospectus for further details of this general mandate to allot, issue and deal with Shares.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase our securities with nominal value of up to 10% of the total number of Shares in issue immediately following the completion of the Global Offering and the Capitalization Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme).

The repurchase mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which our Shares are listed (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed "Statutory and General Information—A. Further Information about our Group—6. Repurchases of our Shares" in Appendix IV to this prospectus.

This general mandate to repurchase Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions; or

- the expiration of the period within which our Company's next annual general meeting is required by the Memorandum and the Articles of Association or any other applicable laws to be held; or

- the date on which it is varied or revoked by an ordinary resolution of our Shareholders passed in a general meeting.

See the section headed "Statutory and General Information—A. Further Information about our Group—6. Repurchases of our Shares" in Appendix IV to this prospectus for further details of the repurchase mandate.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Our Company has only one class of Shares, namely, ordinary shares, and each ranks *pari passu* with the other Shares.

As a matter of the Cayman Companies Law, an exempted company is not required by law to hold any general meeting or class meeting. The holding of general meeting or class meeting is prescribed for under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed for under the Articles, a summary of which is set out in the paragraph headed "Summary of the Constitution of the Company and Cayman Companies Law" in Appendix III to this prospectus.

You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions, including the United States.

The following discussion and analysis may contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider the information provided in the sections headed "Risk Factors" and "Business" in this prospectus.

For the purposes of this section, unless the context otherwise requires, references to 2016, 2017 and 2018 are to our financial years ended December 31 of such years, respectively. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis. Except as otherwise noted, all statements of profit or loss items in this Financial Information section refer to our continuing operations.

OVERVIEW

We are the largest workforce solutions provider in the Greater China region by revenue in 2018, according to CIC. We provide comprehensive workforce solutions and other HR services to clients located in each market in Greater China, namely, the PRC, Hong Kong, Macau and Taiwan. Our largest stakeholder, ManpowerGroup Inc., is a New York Stock Exchange-listed world leader in workforce solutions and services. Based in Wisconsin, United States, MAN is a Fortune 500 company with a long operating history of over 70 years and a global network of nearly 2,600 offices in 80 countries and territories in the Americas, Europe and Asia Pacific Middle East, according to its 2018 annual report. MAN first entered the Greater China region in 1997, when it commenced operations in Hong Kong and Taiwan. It subsequently entered mainland China in 2003 and Macau in 2007. Today, we serve a broad range of corporate and government clients in over 130 cities in the Greater China markets, operating more than 20 offices as of December 31, 2018.

Leveraging MAN's global reputation, we have, over two decades of dedicated work, developed deep connections with both multinational clients and local clients doing business in the Greater China region and achieved prominent brand recognition. As of December 31, 2018, we had served over 22,500 clients, including over 260 Fortune 500 companies and prominent local public and private employers, such as Lenovo and certain other leading Chinese technology firms.

We firmly believe that people are central to the success of all businesses, and we are committed to helping our clients find the right people to join their workforce. By offering a comprehensive range of workforce solutions and other HR services, we aim to be a one-stop

provider, to clients across industry sectors at varying stages of development, of HR services that are tailored to their specific business needs. We provide the following HR services in each of the PRC, Hong Kong, Macau and Taiwan:

- *Flexible staffing*. For clients who wish to control their own headcount, or only require workers for a limited time or a specific project, we provide contingent workers (to whom we refer as "associates") who are employed by us but work on client premises typically under client instruction and supervision during the term of their deployment. We pay the associates salaries and statutory and other benefits and charge clients a fee to cover such labor costs, plus a premium, or "markup," as compensation for our service. Clients may choose to hire our associates on a permanent basis, in which case we typically receive an additional fee.

- *Headhunting.* We use our extensive human and technical resources and expertise to search for, identify and recommend potential candidates suitable for client job vacancies. We charge a fee upon a successful placement.

- *Recruitment process outsourcing (RPO).* Some of our clients are large companies who have a significant volume of hiring needs and wish to outsource the hiring process to a professional recruiter. For this type of clients, we step in to manage the recruiting and on-boarding process for them. We charge a management fee and a recruiting fee for this assistance.

- *Other HR services.* In addition, we provide (i) HR consultancy services to clients who need assistance in leadership development, career management and talent assessment; (ii) training and development services mainly focused on general management skills, specialized core skills and workplace English; (iii) career transition, primarily outplacement, services; and (iv) payroll services.

BASIS OF PREPARATION AND PRESENTATION

All companies now constituting the Group have adopted December 31 as their financial year end date. Our historical financial information has been prepared in accordance with all applicable International Financial Reporting Standards which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board ("**IASB**"). Further details of the significant accounting policies adopted are set out below.

For the purpose of preparing and presenting the historical financial information for the Track Record Period, we have adopted all new and amendments to IFRSs, and the related interpretations, which are effective for the accounting period beginning on January 1, 2018 throughout the Track Record Period, except that we adopted IFRS 9 *Financial Instruments* on January 1, 2018 and IAS 39 *Financial Instruments: Recognition and Measurement* during the two years ended December 31, 2017.

In December 2018, we sold a majority interest in the business under the brand of "ReachHR" in the PRC which has been presented as discontinued operation. See "—Selected Statements of Profit or Loss Items—Discontinued Operation."

MAJOR FACTORS AFFECTING OUR RESULTS OF OUR CONTINUING OPERATIONS

General Factors

Our business and operating results are affected by general factors affecting the HR services industry in the Greater China region, which include:

- macroeconomic growth and demand for HR services;
- China's overall economic growth and the incentives for businesses to recruit;
- growth of talent services market and demand for mid- to senior-level workforce;
- governmental policies and initiatives affecting the HR services market; and
- development of the competitive landscape of the HR services industry, in particular the workforce solutions market, in China.

Unfavorable changes in any of these general industry conditions could negatively affect demand for our services and negatively and materially affect our results of operations.

Company Specific Factors

While our business is influenced by general factors affecting our industry, our operating results are more directly affected by company specific factors, including the following major factors:

Our Ability to Maintain Major Clients and Expand Our Client Base

Our success is largely dependent on our ability to maintain major clients and expand our client base, which in turn is affected by our ability to deliver quality services amid a changing landscape of the HR services industry in the Greater China region. We have a proven record of serving large, multinational clients with a deep understanding of their needs and quality delivery. Our continuous growth will be largely driven by our ability to expand our client base to cover more medium-sized, local clients. In addition, our success will also be affected by our ability to deepen relationships with clients focused on the new economy, in the technology, Internet and new retail sectors.

During the Track Record Period, we derived a considerable portion of our revenue from our top five clients. For 2016, 2017 and 2018, 15.4%, 16.0% and 17.9% of our total revenue was generated from our top five clients for the relevant years, respectively. There is no guarantee that we will continue to obtain new contracts with these major clients or maintain our relationship in the future. See the section headed "Risk Factors—Risks Relating to our Business and Industry—During the Track Record Period, we derived a substantial portion of our revenue from a limited number of key clients, and sudden decrease in volume or loss of business from such clients may make our cash flow and earnings volatile. Our long-term plan to reduce such dependence may not be successful." We believe our ability to strengthen our engagement with major clients is crucial to a sustainable growth.

Our Brand Positioning and Pricing Ability

Our business grew organically as a result of our well-established brand awareness and our reputation in providing quality services. Our ability to maintain our relationship with existing clients and attract new clients depends, to a large extent, on our ability to enhance brand recognition. We believe trusted brand enables us to expand our client base, makes our recommendations more acceptable and leads to more business opportunities. As we have established a strong reputation for providing quality services, we are in a position to optimize our pricing without compromising our reputation or our ability to attract and retain clients. According to CIC, due to our high service quality, our average service fee is above the average level in the workforce solutions market of the Greater China region.

We have leveraged the market recognition of MAN's global brands since our inception. However, as we operate in a highly competitive and fragmented industry, our ability to set the prices of our services is affected by the competitive landscape of the HR services industry in the Greater China region. To maintain our prices, we make efforts to diversify our services by offering more solution-based, tailor-made services and further improving our service quality. We have to achieve a balance between pricing our projects sufficiently competitively while maintaining our position as a quality HR services provider and ensuring an attractive profit margin. Failure to balance various factors in determining our pricing could materially and adversely affect our financial condition and results of operations.

Our Business Mix

During the Track Record Period, our business and results of operations were affected by our business mix. Our profit margins vary across our four business lines, namely, flexible staffing, headhunting, RPO and other HR services. Any change in the structure of revenue contribution from our four business lines or change in profit margin of any business line may have a corresponding impact on our overall profit margin.

The table below sets forth the revenue from continuing operations contributed by each business line for the years indicated:

	For the year ended December 31,		
	2016	**2017**	**2018**
	(RMB in thousands)		
Flexible staffing	1,379,701	1,696,087	2,124,304
Headhunting	199,203	230,714	272,343
RPO	21,442	25,642	30,143
Other HR services	23,755	54,479	64,704
	1,624,101	2,006,922	2,491,494

During the Track Record Period, revenue from our flexible staffing services amounted to RMB1,379.7 million, RMB1,696.1 million and RMB2,124.3 million for 2016, 2017 and 2018, respectively, accounting for 85.0%, 84.5% and 85.3%, respectively, of our total revenue for the relevant years. As such, our further expansion depends on the continuous growth of our flexible staffing services as well as the growth of our other business lines.

The table below sets forth the gross profit margins by business line for the years indicated:

	For the year ended December 31,		
	2016	**2017**	**2018**
		(%)	
Flexible staffing	11.7	11.4	12.0
Headhunting	93.2	92.5	91.4
RPO	92.8	92.6	96.2
Other HR services	57.4	48.5	48.4
Overall	23.4	22.8	22.7

Our headhunting services and RPO services generally have higher gross profit margins compared to the other business lines because we incur less direct costs of services for headhunting and RPO services due to the nature of these businesses. As such, our overall gross margin will be affected by the relative proportion of our headhunting and RPO services.

Our Ability to Effectively Invest in Technology

Our ability to timely serve clients' workforce needs is crucial to our success, which, to a large extent, depends on our technological capabilities to enhance the quality of our services, develop more variety of services and improve our operational efficiency. During the Track Record Period, we upgraded our internal online management systems, which to some extent optimized our execution and management of flexible staffing and headhunting businesses and improved operating efficiency. As our talent and client bases continue to grow and our clients' demand for talent continue to increase and evolve, our technological capabilities play an increasingly important role. Our research and development team continues to enhance our IT systems and infrastructure to (i) further develop our flexible staffing platform to enable clients to liaise with associates more easily, (ii) provide employee benefits offered by third party vendors, and (iii) offer upskill training and development services. Our success in developing and maintaining such platform will largely affect our future operating efficiency and potential. In addition, we may incur significant costs in developing our online platform and enhancing our technological capabilities. We incurred RMB7.1 million, RMB9.2 million and RMB9.0 million in research and development expenses in 2016, 2017 and 2018, respectively. Our ability to recoup such costs depends on the functionality and reliability of our platform and the acceptance it receives among our clients and employees.

Our Ability to Attract and Retain Partners and Consultants and Grow Our Talent Pool

During the Track Record Period, we experienced steady growth in our revenue, largely due to an increase in our headcount, including both partners and consultants. Our ability to attract new partners and consultants and retain existing partners and consultants will be critical to our future growth.

In addition, the size and activeness of our talent base are crucial to our business. A large and reliable talent base allows us to provide services to our clients efficiently and effectively and can help us attract new clients through word-of-mouth referrals. Our ability to continue to organically drive the growth of our talent base is primarily driven by factors including our ability to match talent with suitable career opportunities, quality of our services and our ability to engage talent throughout different stages of their career lifecycle. We intend to continue to expand these services as we see an increasing demand for talent arising from changes in the landscape of the workforce market in China. Our ability to capture such opportunities largely depends on our ability to expand our talent pool and upskill our talent pool.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our financial information has been prepared in accordance with IFRSs. For the purpose of preparing and presenting the historical financial information for the Track Record Period, we have adopted all new and amendments to IFRSs, and the related interpretations, which are effective for the accounting period beginning on January 1, 2018 throughout the Track Record Period, except that we adopted IFRS 9 *Financial Instruments* on January 1, 2018 and IAS 39 *Financial Instruments: Recognition and Measurement* during the two years ended December 31, 2017. The adoption of IFRS 15 would have no significant impact on our financial position and performance compared to requirements of IAS 18. The preparation of our financial information in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires our management to exercise their judgements in the process of applying the accounting policies. Details of the significant accounting policies and the areas involving critical accounting judgements and key sources of estimation uncertainty to the financial information of our Group are set out in notes 4 and 5 to the Accountants' Report contained in Appendix I to this prospectus.

Some significant accounting policies applied in the preparation of the financial information of our Group and critical judgements and estimates in applying accounting policies are set out below.

IFRS 9 "Financial Instruments" and the related amendments

In 2018, we applied IFRS 9 and the related amendments to other IFRSs. Such application would not have significant impact on our financial position and performance compared to the requirements of IAS 39. IFRS 9 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities; (ii) expected credit losses for financial assets; and (iii) general hedge accounting. We applied IFRS 9 in accordance with the transition provisions set out in IFRS 9: we applied the classification and measurement requirements (including impairment) retrospectively to instruments that had not been derecognized as of January 1, 2018 (date of initial application) and did not apply the requirements to instruments that had already been derecognized as of January 1, 2018. There is no significant impact on the opening retained profits and other components of equity upon application of IFRS 9 on January 1, 2018.

Revenue Recognition

We are an HR services provider. We recognize revenue to depict the transfer of promised services to our clients in an amount that reflects the consideration to which we expect to be entitled in exchange for those services. We recognize revenue when (or as) a performance obligation is satisfied, *i.e.*, when "control" of the services underlying the particular performance obligation is transferred to our clients. If the control of the asset transfers over time, we recognize revenue over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, we recognize revenue at a point in time when the client obtains control of the asset.

Flexible staffing and other HR services

In our flexible staffing business line, we deliver qualified workers to our clients to meet their contingent labor needs. Under our other HR business line, we provide various HR-related services that are complementary to our other business lines. For these services, we recognize revenue over time when our clients receive RPO service, payroll and other HR-related services.

Headhunting and RPO

In our headhunting business line, we recruit candidates for middle to senior level permanent openings of our clients. In our RPO business line, we provide recruitment process outsourcing service in which we receive RPO management fee and placement fee. We recognize revenue when we place a qualified candidate to fill a permanent position of a client and such client accepts such placement.

Foreign Currencies

For the purposes of presenting the consolidated financial statements, we translate the assets and liabilities of our foreign operations into the presentation currency, namely, the Renminbi, using exchange rates prevailing at the end of each reporting period. We translate income and expenses items at the average exchange rates for the period. We recognize exchange differences, if any, in other comprehensive income, which are accumulated in equity under the heading of translation reserve.

Goodwill

We carry goodwill arising on an acquisition of a business at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, we allocate goodwill to each of our cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

We test a cash-generating unit (or group of cash-generating units) to which goodwill has been allocated for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, we test the

cash-generating unit (or group of cash-generating units) to which goodwill has been allocated for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, we allocate the impairment loss first to reduce the carrying amount of any goodwill and then to the other assets on a *pro rata* basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, we include the attributable amount of goodwill in the determination of the amount of profit or loss on disposal (or any of the cash-generating unit within group of cash-generating units in which we monitor goodwill).

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires us to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash, a material impairment loss may arise.

Intangible Assets (Other than Goodwill)

We recognize intangible assets acquired in a business combination separately from goodwill and initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, we report intangible assets acquired in a business combination with finite useful lives at costs less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

We derecognize an intangible asset on disposal, or when no future economic benefits are expected from use or disposal. We recognize gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, in profit or loss when the asset is derecognized.

Impairment on Tangible and Intangible Assets Other than Goodwill

At the end of the reporting period, we review the carrying amounts of our tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, we estimate the recoverable amount of the relevant asset in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an asset individually, we estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, we also allocate corporate assets to individual cash-generating units, or otherwise allocate them to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

We test intangible assets with indefinite useful lives for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, we discount the estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, we reduce the carrying amount of the asset (or a cash-generating unit) to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a *pro rata* basis based on the carrying amount of each asset in the unit. We do not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) or zero. We allocate the amount of the impairment loss that would otherwise have been allocated to the asset *pro rata* to the other assets of the unit. We recognize an impairment loss immediately in profit or loss.

Where an impairment loss subsequently reverses, we increase the carrying amount of the asset (or cash-generating unit) to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit) in prior years. We recognize a reversal of an impairment loss immediately in profit or loss.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table presents our consolidated statements of profit or loss in absolute amounts and as percentages of revenue from continuing operations for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*% of revenue*	*Amount*	*% of revenue*	*Amount*	*% of revenue*
	(RMB in thousands, except for percentages)					
Continuing operations						
Revenue	1,624,101	100.0	2,006,922	100.0	2,491,494	100.0
Cost of services	(1,243,747)	(76.6)	(1,549,508)	(77.2)	(1,926,981)	(77.3)
Gross profit	380,354	23.4	457,414	22.8	564,513	22.7
Selling and administrative expenses	(291,187)	(17.9)	(349,745)	(17.4)	(403,685)	(16.2)
Other income	3,534	0.2	6,548	0.3	3,070	0.1
Impairment loss, net of reversal	(4,272)	(0.3)	3,194	0.2	(227)	–
Other gains and losses	735	0.1	870	–	2,558	0.1
Finance costs	–	–	(90)	–	–	–
Share of loss of associates	–	–	–	–	(1,702)	(0.1)
Listing expenses	–	–	–	–	(18,195)	(0.7)
Profit before tax	89,164	5.5	118,191	5.9	146,332	5.9
Income tax expense	(19,508)	(1.2)	(28,650)	(1.4)	(38,067)	(1.5)
Profit for the year from continuing operations	69,656	4.3	89,541	4.5	108,265	4.4
Adjusted net profit from continuing operations[(1)]	69,656	4.3	89,541	4.5	126,460	5.1
Discontinued operation						
Profit for the year from discontinued operation	7,186	0.4	5,021	0.2	5,030	0.2
Profit for the year	76,842	4.7	94,562	4.7	113,295	4.6

Note:

(1) The adjusted net profit from continuing operations, which is unaudited in nature, represents profit for the year from continuing operations excluding the effects of the listing expenses as it is non-recurring in nature. The adjusted net profit from continuing operations is not a measure of performance under IFRS. As a non-IFRS measure, the adjusted net profit from continuing operations is presented because our management believes such information will be helpful for investors in assessing the level of our 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 Track Record Period. The use of the adjusted net profit from continuing operations has material limitations as an analytical tool, as it does not include all items that impact our profit for the relevant year from continuing operations. See the section headed "Financial Information–Non-IFRS Measure" in this prospectus. The following table reconciles our adjusted net profit from continuing operations for the years indicated to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is profit for the year from continuing operations:

	For the year ended December 31,		
	2016	2017	2018
	(RMB in thousands)		
Profit for the year from continuing operations	69,656	89,541	108,265
Add:			
Listing expenses	–	–	18,195
Adjusted net profit	69,656	89,541	126,460

SELECTED STATEMENTS OF PROFIT OR LOSS ITEMS

Continuing Operations

Revenue

We generate revenue primarily from (i) workforce solutions services, including flexible staffing, headhunting and RPO; and (ii) other HR services, including HR consultancy services, training and development, career transition, payroll services as well as government solutions. The following table sets forth a breakdown of our revenue by business line for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Flexible staffing	1,379,701	85.0	1,696,087	84.5	2,124,304	85.3
Headhunting	199,203	12.3	230,714	11.5	272,343	10.9
RPO	21,442	1.3	25,642	1.3	30,143	1.2
Other HR services	23,755	1.4	54,479	2.7	64,704	2.6
	1,624,101	100	2,006,922	100	2,491,494	100

Flexible staffing. For clients who wish to control their own headcount, or only need workers for a limited time or specific project, we provide contingent workers (whom we refer to as "associates") who are employed by us but work at clients' premises under clients' instruction and supervision during the term of their deployment. We pay the associates salaries and statutory and other benefits (which we refer to as the "labor costs"), and charge a fee to the clients which is intended to cover such labor costs as well as a premium, or "markup," as compensation for our service. Clients may also hire our associates on a permanent basis, in which case we typically receive an additional fee. Our revenue from flexible staffing service is primarily affected by the number of associates placed and revenue per such associate. During the Track Record Period, our revenue from flexible staffing service increased primarily because both the number of associates and revenue per associate increased.

Headhunting. We help clients identify potential candidates suitable for their job vacancies. We charge a fee as a percentage of the annual salary for such job vacancy upon a successful placement. Our revenue from headhunting service is primarily affected by our headcount of headhunting business, including both partners and consultants, and revenue per headhunter (partner or consultant). During the Track Record Period, our revenue from headhunting service steadily increased primarily because an increase in the number of our successful placements and the average annual starting salaries of our successfully placed candidates.

RPO. Some of our clients are large companies who have a significant volume of hiring needs and wish to outsource the hiring process to a professional recruiter. For this type of clients we provide outsourcing services to manage the recruiting and on-boarding process for them. We charge a management fee for this assistance and are also able to receive recruiting fees. During the Track Record Period, our revenue from RPO business increased primarily because we obtained contracts from a few new large clients and obtained a larger volume of orders from existing clients.

Other HR services. We provide (i) HR consultancy services to clients who need assistance in leadership development, career management and talent assessment, (ii) training and development services mainly focused on general management skills, specialized core skills and workplace English, (iii) career transition, primarily including outplacement service, and (iv) others, including payroll services and government solutions. We charge a fixed fee by project for training and development services. We charge a fixed fee at each key phase of an HR consultancy and career transition service process. We charge based on headcount for payroll services on a monthly basis. Our revenue from other HR services increased significantly in 2017 as compared to 2016, primarily because we offered a few new training services through our subsidiary Manpower Ruixin, which were well accepted by clients. Our revenue from other HR services increased by 18.8% from RMB54.5 million in 2017 to RMB64.7 million in 2018, primarily due to a government solutions project that started in 2018.

Revenue by Geographic Location

We have operations in each market of the Greater China region, namely, the PRC, Hong Kong, Macau and Taiwan. The following table sets forth a breakdown of our revenue by geographic location for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
PRC	714,827	44.0	874,862	43.6	1,179,587	47.3
Hong Kong and Macau	454,458	28.0	509,456	25.4	622,527	25.0
Taiwan	454,816	28.0	622,604	31.0	689,380	27.7
	1,624,101	100	2,006,922	100	2,491,494	100

During the Track Record Period, the largest proportion of our revenue was generated from the PRC. We believe the HR services market in the PRC is still growing and revenue generated from the PRC market will continue to account for the largest proportion of our revenue in the foreseeable future.

Revenue by Type of Client

We have a large and diversified client base. We leverage the global reputation of our largest stakeholder, MAN, and serve a great number of multinational companies. We are also deeply rooted in the Greater China region and serve locally grown companies. Apart from the private sector, we have also attracted government clients through our quality and extensive services. The following table sets forth a breakdown of our revenue by type of client for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Multinational corporations and local enterprises	1,560,318	96.1	1,930,407	96.2	2,407,538	96.6
Government bodies	63,783	3.9	76,515	3.8	83,956	3.4
	1,624,101	100	2,006,922	100	2,491,494	100

During the Track Record Period, substantially all of our revenue was generated from the private sector while a small percentage was generated from government bodies, which also experienced steady growth.

Cost of Services

Cost of services consists of staff cost and others such as subcontracting costs related to our headhunting service. The following table sets forth the breakdown of our cost of sales by nature for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Staff cost	1,218,537	98.0	1,509,699	97.4	1,866,191	96.8
Salaries	972,121	78.2	1,162,771	75.0	1,380,274	71.6
Mandatory employee contributions	143,032	11.5	171,913	11.1	212,688	11.0
Costs of non-employment contract work[(1)]	31,853	2.6	55,338	3.6	103,526	5.4
Other operational costs[(2)]	71,531	5.7	119,677	7.7	169,703	8.8
Others	25,210	2.0	39,809	2.6	60,790	3.2
	1,243,747	100	1,549,508	100	1,926,981	100

Notes:

(1) An insignificant amount of miscellaneous flexible staffing business conducted by the Company involves, in terms of legal relationship, non-employment contract work performed by individuals including interns and retirees in the PRC and part-time workers in Hong Kong and Macau. Under the relevant PRC laws and regulations, as confirmed by the PRC Legal Advisors, the Company is not under obligation to make additional social welfare contributions for such workers in the PRC.

(2) Other operational costs include staff welfare and benefits, fees paid to payroll service agencies and others.

Staff cost comprises (i) salaries, (ii) mandatory contributions related to our employees directly involved in our revenue-generating activities, (iii) costs of non-employment contract work, including interns and retirees in the PRC and part-time workers in Hong Kong and Macau, and (iv) other operational costs, including staff welfare and benefits, fees paid to payroll service providers in relation to the payment of mandatory contributions for some of our associates in flexible staffing business and others. During the Track Record Period, a substantial majority of our staff cost was related to our associates in the flexible staffing business line. The increases in our staff cost from 2016 to 2017 and from 2017 to 2018 were in line with the growth of our flexible staffing business.

Gross Profit and Gross Profit Margin

Our gross profit margin in 2016, 2017 and 2018 was 23.4%, 22.8% and 22.7%, respectively. Our overall gross profit margin is primarily affected by our business mix. Our headhunting and RPO services generally have higher gross profit margins, because the cost of services for headhunting and RPO services is limited to mainly subcontracting fees and other direct costs such as traveling expenses and does not involve labor costs of the persons hired. The salaries of our own employees (*e.g.*, partners and consultants) are included in the selling and administrative expenses and are not included in the cost of services for headhunting and RPO services, or our other business lines, as they are incurred regardless of whether or not we place candidates and do not arise specifically from the provision of services to clients. As such, our overall gross margin will primarily be affected by the proportion of our headhunting and RPO services relative to flexible staffing. The following table sets forth a breakdown of our gross profit and gross margin by segment for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Flexible staffing	161,201	11.7	193,927	11.4	255,200	12.0
Headhunting	185,618	93.2	213,338	92.5	249,021	91.4
RPO	19,905	92.8	23,737	92.6	28,993	96.2
Other HR services	13,630	57.4	26,412	48.5	31,299	48.4
	380,354	23.4	457,414	22.8	564,513	22.7

Flexible staffing. The gross profit margins for our flexible staffing service are primarily affected by the mark-up we charge to clients and the labor costs associated with our associates. The gross profit margins for our flexible staffing service are significantly lower than the other business lines, because we bear the direct costs associated with the hiring of the associates, including their payroll and other labor costs. During the Track Record Period, the gross profit margin for our flexible staffing service remained relatively stable.

Headhunting. The gross profit margins for our headhunting service are primarily affected by the number of placements we make, the average first-year salaries of the successfully placed candidates and our expenses associated with the provision of headhunting service. The gross profit margins for our headhunting service are higher than those for the other business lines, primarily because we incur less direct cost of services for headhunting service due to the nature of this business.

RPO. The gross profit margins for our RPO service are primarily affected by our costs incurred in relation to our staff who work at clients' sites, i.e. our client-facing employees that we from time to time send to clients' sites as coordinators in conducting the RPO services. See "Business —Our Services—Recruiting Process Outsourcing (RPO)—Our RPO Service Process—Team Building" in this prospectus. Our gross profit margins for RPO service are generally higher than those for flexible staffing and other HR services, primarily because we incur less

direct cost of services for RPO service due to the nature of the business. The gross profit margin for our RPO service increased from 92.6% in 2017 to 96.2% in 2018, primarily due to further improvement of our operation efficiency for the RPO business as a result of mass recruitment conducted at our sourcing center in Suzhou, which reduced the headcount of our client-facing employees stationed to work at clients' sites, many of which are in first-tier cities where labor costs and living expenses are higher, and saved associated costs such as travelling expenses.

Other HR services. The gross profit margins for our other HR services are primarily affected by the proportion of service outsourced from third parties for which we incur direct cost of services. The gross profit margin for our other HR services decreased from 57.4% in 2016 to 48.5% in 2017, primarily due to the change of our business mix in our other HR services business line in 2017. Our government solutions services, which contributed a significant proportion of our gross profit for 2016, had a higher gross profit margin than our HR consultancy services, which contributed a significant proportion of our gross profit for 2017. Our gross profit margin for the other HR services for 2018 remained stable compared to 2017.

Selling and Administrative Expenses

Our selling and administrative expenses primarily consist of salaries and benefits, office expenses and others, including travel, marketing and advertising expenses. The table below sets forth a breakdown of our selling and administrative expenses for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Selling expenses						
Salaries and benefits	180,396	76.5	241,139	82.0	280,655	83.5
Office expenses	34,988	14.8	37,941	12.9	45,609	13.5
Others	20,461	8.7	15,002	5.1	10,000	3.0
	235,845	100.0	294,082	100.0	336,264	100.0
Administrative expenses						
Salaries and benefits	43,259	78.2	42,038	75.5	47,402	70.3
Office expenses	5,605	10.1	6,858	12.3	6,282	9.3
Others	6,478	11.7	6,767	12.2	13,737	20.4
	55,342	100.0	55,663	100.0	67,421	100.0

For 2016, 2017 and 2018, salaries and benefits contributed to 76.8%, 81.0% and 81.3% of our total selling and administrative expenses, respectively. Such increase was primarily due to the increase in the number of partners and consultants, which was in line with our growth.

Other Income

Other income primarily consists of (i) government grants, referring to the one-off grants received by certain subsidiaries of our Group from the local governments according to local policy; and (ii) interest income on bank deposits. In 2016, 2017 and 2018, our other income amounted to RMB3.5 million, RMB6.5 million and RMB3.1 million, respectively. The following table sets forth a breakdown of our other income for the years indicated:

	For the year ended December 31,					
	2016		2017		2018	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Government grants	–	–	1,150	17.6	–	–
Interest income	3,044	86.1	4,621	70.6	2,739	89.2
Others	490	13.9	777	11.8	331	10.8
	3,534	100.0	6,548	100.0	3,070	100.0

Impairment Loss, Net of Reversal

Our impairment loss, net of reversal is primarily related to our trade receivables. We recognize an allowance for expected credit losses ("**ECL**") on trade receivables which are subject to impairment under IFRS 9. We update the amount of ECL at each reporting date to reflect changes in credit risk since initial recognition. We recognize lifetime ECL for trade receivables, which represents the ECL that will result from all possible default events over the expected life of the trade receivables. We assess whether the credit risk has increased significantly since initial recognition by comparing the risk of a default occurring on the trade receivables as of the reporting date with the risk of a default occurring on the trade receivables as of the date of initial recognition. In making this assessment, we consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, such as (i) existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations, (ii) an actual or expected significant deterioration in the operating results of the debtor and (iii) an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations, among other things. Irrespective of the outcome of the above assessment, we presume that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless we have reasonable and supportable information that demonstrates otherwise. We recorded impairment loss, net of reversal of RMB4.3 million and RMB0.2 million for 2016 and 2018, respectively. We recorded gain on reversal of impairment loss of RMB3.2 million for 2017.

Other Gains and Losses

During the Track Record Period, our other gains and losses primarily consisted of gain on structured deposits and net exchange gains and losses. We recorded RMB0.6 million net exchange gains for 2016 and RMB0.7 million and RMB1.0 million net exchange losses for 2017 and 2018, respectively. Our reporting currency is Renminbi. Our functional currency for the PRC is Renminbi, while our functional currency for Hong Kong, Macau and Taiwan is Hong Kong dollars, Macau patacas and New Taiwan dollars, respectively. Such exchange gains (losses) primarily arose from the exchange rate differences when foreign currencies balance or transactions were translated into respective functional currencies.

During the Track Record Period, we invested in structured deposits the principal amounts of which were fully guaranteed by the issuing banks. Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, including but not limited to market and investment conditions, economic developments, investment cost, duration of investment and the expected returns and potential losses of such investment. These structured deposits we invested in during the Track Record Period were typically used by the banks to invest in investment-grade instruments. During the Track Record Period, our annual return on the structured deposits ranged from 2.5% to 4.35%, with a relatively short term of 35 to 60 days to ensure sufficient liquidity. According to the underlying contracts for these structured deposits, the investment allocation decisions of these funds are generally made by the banks on a discretionary basis. We made investments in these structured deposits primarily to increase our income without interfering with our business operation or capital expenditures.

Our treasury department, under the supervision of financing director, is responsible for managing our investment activities. Our treasury department assesses our cash flow, operational needs and capital expenditure before making a proposal to invest in investment products. If our cash flow exceeds operational needs and appropriate short-term investment opportunities are available, our treasury department will usually submit the investment proposal to our chief financial officer for approval according to our internal policies.

We believe that our internal control policies regarding investment in financial assets and risk management mechanism are adequate. To achieve reasonably higher return on our excess cash than regular bank deposits, we may continue to take a prudent approach to make selective investment in similar structure deposit products in accordance with our internal wealth investment policies.

As of December 31, 2016, 2017 and 2018, the aggregate principal amount of our structured deposits/financial assets at fair value through profit or loss was RMB15.0 million, RMB82.7 million and RMB87.3 million, respectively.

Finance Costs

During the Track Record Period, our finance costs primarily consisted of interest on loans from non-controlling shareholders related to the loans from the non-controlling shareholders of Event Elite. When we entered the acquisition agreement to acquire Event Elite in 2017, the selling shareholders, who are now non-controlling shareholders of Event Elite, undertook to us to ensure that the working capital of Event Elite would remain above a prescribed level. In the event that the working capital fell below such level, the non-controlling shareholders would make up for the shortage as loans. As of the Latest Practicable Date, such loans had been fully settled.

Share of Loss of Associates

As of December 31, 2018, we had a 34% equity interest in Shanghai Jinzhan Enterprise Management Co., Ltd. (上海金盞企業管理有限公司), a 35% equity interest in Beijing Wanzhi International Human Resources Co., Ltd. (北京萬智國際人力資源有限公司), a 20% equity interest in Huizhishenghua (Shenyang) Human Resources Services Co., Ltd. (滙智盛華(瀋陽)人力資源服務有限公司) and a 34% equity interest in Nanjing Shenghua Linghang Enterprise Management Consultancy Co., Ltd. (南京盛華領航企業管理諮詢有限公司). For 2016, 2017 and 2018, our share of loss of associates was nil, nil and RMB1.7 million, respectively. Our share of loss of associates in 2018 was primarily related to Shanghai Jinzhan Enterprise Management Co., Ltd. (上海金盞企業管理有限公司).

Income Tax Expense

In 2016, 2017 and 2018, our income tax expense was RMB19.5 million, RMB28.7 million and RMB38.1 million, respectively. Our income tax expense primarily consists of enterprise income tax ("**EIT**") payable by us and our PRC subsidiaries in the PRC, the Hong Kong profits tax payable by our HK subsidiaries in Hong Kong, the Macau complementary tax payable by our Macau subsidiary in Macau and the Taiwan income tax payable by our Taiwan subsidiaries in Taiwan. We also paid a dividend withholding tax in Taiwan in the amount of RMB5.6 million in 2018.

During the Track Record Period, we were subject to an income tax rate of 25% in the PRC, a complementary tax rate of 12% in Macau and income tax rates of 17% in 2016 and 2017 and 20% in 2018 in Taiwan. During the Track Record Period, we were subject to a profit tax rate of 16.5% in Hong Kong, except for one of our Hong Kong subsidiaries, which were subject to a two-tier profit tax regime. See Note 10 of the Accountants' Report in Appendix I to this prospectus.

In addition to the applicable enterprise income tax rate, our effective income tax rates may be affected by amounts relating to income not subject to taxation, expenses not deductible for taxation purposes and utilization of previously unrecognized tax losses and tax impact on tax loss not recognized. Our effective tax rate was 21.9%, 24.2% and 26.0%, respectively, in 2016, 2017 and 2018.

As of the Latest Practicable Date, we fulfilled all of our tax obligations and we were not aware of any outstanding or potential disputes with relevant tax authorities.

Cayman Islands

We are incorporated in the Cayman Islands. The Cayman Islands currently has no income or capital gains tax.

PRC

Our PRC subsidiary and affiliated entities, which are considered PRC resident enterprises under PRC tax law, are subject to enterprise income tax on their worldwide taxable income as determined under PRC tax laws and accounting standards at a rate of 25%. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards. We are also subject to surcharges on VAT payments in accordance with PRC law. According to the relevant PRC income tax law, one of our subsidiaries qualified as a "small-scale enterprise" in 2016, and was entitled to include its income in the taxable income at the reduced ratio of 20%, and the enterprise income tax was paid at the tax rate of 20%.

Our subsidiaries that are tax residents in the PRC are subject to the PRC dividend withholding tax of 5% for those non-PRC tax resident immediate holding companies registered in Hong Kong, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after January 1, 2008.

The share of tax expense attributable to associates amounted to nil for the Track Record Period. If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%.

Hong Kong

Our subsidiaries incorporated in Hong Kong were subject to Hong Kong profits tax at a rate of 16.5% of the estimated assessable profit for the period.

On March 21, 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No.7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on March 28, 2018 and was gazette on the following day. Under the two-tiered profits tax regime, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The two-tiered profits tax rates regime is applicable to the Group's Hong Kong subsidiaries with estimated assessable profits for its annual reporting periods ending on or after April 1, 2018.

Manpower Services HK owns or controls more than 50% in aggregate of the issued share capital of other Hong Kong subsidiaries, which are treated as "connected entities" under the new two-tiered profits tax rate regime. Pursuant to the Inland Revenue (Amendment) No. 7 Ordinance 2018, only one of the connected entities can be nominated to apply the two-tiered profits tax rates. The rest of the taxpaying connected entities will be subject to the profits tax at the rate of 16.5%.

Macau

Our subsidiaries incorporated in Macau are subject to Macau complementary tax at 12%.

Taiwan

Our subsidiaries incorporated in Taiwan are subject to Taiwan income tax at a rate of 17% for the years ended December 31, 2016 and 2017 and 20% starting from January 1, 2018.

BVI

Our subsidiaries incorporated in the BVI are not subject to income tax or capital gain tax under the BVI laws.

Non-IFRS Measure

In order to supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit as an additional financial measure. We present this financial measure because it is used by our management to evaluate our financial performance by eliminating the impact of certain items that we do not consider indicative of the performance of our business. We also believe that this non-IFRS measure provides additional information to investors and others in their understanding and evaluating our results of operations in the same manner as they help our management and in comparing financial results across accounting periods and to those of our peer companies.

The adjusted net profit from continuing operations, which is unaudited in nature, represents profit for the year from continuing operations excluding the effects of listing expenses as it is non-recurring in nature. The adjusted net profit from continuing operations is not a measure of performance under IFRS. As a non-IFRS measure, the adjusted net profit from continuing operations is presented because our management believes such information will be helpful for investors in assessing the level of our 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 Track Record Period. The use of the adjusted net profit from continuing operations has material limitations as an analytical tool, as it does not include all items that impact our profit for the relevant year from continuing operations. The following table reconciles our adjusted net profit from continuing operations for the years indicated to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is profit for the year from continuing operations:

	For the year ended December 31,		
	2016	**2017**	**2018**
	(RMB in thousands)		
Profit for the year from continuing operations	69,656	89,541	108,265
Add:			
Listing expenses	–	–	18,195
Adjusted net profit	69,656	89,541	126,460

Discontinued Operation

In December 2018, we sold a majority interest in Guangzhou Reach, which operated certain legacy flexible staffing services under the brand "ReachHR" in the PRC with a gain on disposal approximately RMB0.2 million. Guangzhou Reach focused on traditional varieties of HR services which we determined were not fully compatible with our current development strategy. After the partial disposal, Guangzhou Reach was no longer our subsidiary. Accordingly, we have presented the operations conducted by Guangzhou Reach as discontinued operation in our consolidated financial statements during the Track Record Period. Upon such disposal, we held a 19.5% equity interest in Guangzhou Reach and did not have control in or significant influence on Guangzhou Reach. We accounted such equity investments as financial instruments at fair value through other comprehensive income as of December 31, 2018, and the expected gain on the disposal of Guangzhou Reach will be recognized in the consolidated statement of comprehensive income. The table below sets out profit for the year from the discontinued operation for the years indicated. The comparative figures in the consolidated statements of profit or loss and other comprehensive income have been restated to re-present the operations under "ReachHR" as discontinued operation.

	For the year ended December 31,		For the period ended December 12,
	2016	2017	2018
	(RMB in thousands)		
Revenue	593,205	469,519	665,995
Cost of services	(554,582)	(430,124)	(626,793)
Selling and administrative expenses	(29,070)	(32,829)	(32,714)
Other (expenses) income	(123)	115	(191)
Profit before tax	9,430	6,681	6,297
Income tax expense	(2,244)	(1,660)	(1,511)
Profit for the year/period	7,186	5,021	4,786

YEAR-ON-YEAR COMPARISON OF RESULTS OF CONTINUING OPERATIONS

2018 Compared to 2017

Revenue

Our revenue increased by 24.1% from RMB2,006.9 million for 2017 to RMB2,491.5 million for 2018, primarily due to (i) the expansion of each of our business lines and (ii) our acquisition of Event Elite in September 2017.

Revenue by Business Line

- *Flexible Staffing*. The revenue from our flexible staffing service increased by 25.2% from RMB1,696.1 million for 2017 to RMB2,124.3 million for 2018, primarily due to an increase in the number of associates placed during the period.

- *Headhunting*. The revenue from our headhunting service increased by 18.0% from RMB230.7 million for 2017 to RMB272.3 million for 2018, primarily due to an increase in the number of our successful placements.

- *RPO*. The revenue from our RPO service increased by 17.6% from RMB25.6 million for 2017 to RMB30.1 million for 2018, primarily due to (i) our engagement with new clients as a result of the increased awareness of the brands we use and market recognition; (ii) an increase in revenue contributed by existing clients as a result of our quality service; and (iii) the commencement of our partnership system in the RPO business line in early 2018, which incentivized our RPO partners.

- *Other HR Services*. The revenue from other HR services increased by 18.8% from RMB54.5 million for 2017 to RMB64.7 million for 2018, primarily due to our new government solutions project in 2018.

Revenue by Geographic Location

- *PRC*. Our revenue from the PRC market increased by 34.8% from RMB874.9 million for 2017 to RMB1,179.6 million for 2018, primarily due to an increase in our headcount and an increase in the number of clients, which in turn was a result of our strategic focus on the PRC market which was our largest contributor during the Track Record Period.

- *Hong Kong and Macau*. Our revenue from the Hong Kong and Macau markets increased by 22.2% from RMB509.5 million for 2017 to RMB622.5 million for 2018, primarily due to the acquisition of Event Elite in September 2017.

- *Taiwan*. Our revenue from the Taiwan market increased by 10.7% from RMB622.6 million for 2017 to RMB689.4 million for 2018, primary due to the increased purchase by our five largest clients in Taiwan.

Cost of Services

Our cost of services increased by 24.4% from RMB1,549.5 million for 2017 to RMB1,927.0 million for 2018 primarily due to an increase in staff cost of associates, which is in line with the expansion of our flexible staffing business.

Gross Profit and Gross Profit Margin

Our gross profit increased by 23.4% from RMB457.4 million for 2017 to RMB564.5 million for 2018, as a result of our business expansion. Our overall gross profit margin remained stable in 2018.

- *Flexible staffing.* Our gross profit margin for flexible staffing service increased from 11.4% for 2017 to 12.0% for 2018, primarily due to (i) our acquisition of Event Elite in September 2017, the gross profit margin of which was higher than our overall gross profit margin, and (ii) the further improvement of our operational efficiency for the flexible staffing business.

- *Headhunting.* Our gross profit margin for headhunting service remained stable in 2018.

- *RPO.* Our gross profit margin for RPO service increased from 92.6% for 2017 to 96.2% for , 2018, primarily due to further improvement of our operational efficiency for the RPO business as a result of mass recruitment conducted at our sourcing center in Suzhou.

- *Other HR Services.* Our gross profit margin for other HR services remained stable for 2018 compared to 2017.

Selling and Administrative Expenses

Our selling and administrative expenses increased by 15.4% from RMB349.7 million for 2017 to RMB403.7 million for 2018, primarily due to an increase in the number of partners and consultants as a result of our expansion.

Other Income

Our other income decreased from RMB6.5 million for 2017 to RMB3.1 million for 2018, primarily due to a decrease in interest income as a result of a decrease in our bank deposits and a decrease in government grants which were one-off in nature.

Other Gains and Losses

Our other gains and losses recorded an increase from RMB0.9 million for 2017 to RMB2.6 million for 2018 mainly due to increase in net fair value change in financial assets at fair value through profit or loss/structured deposits.

Finance Costs

Our finance costs decreased from RMB0.1 million for 2017 to nil for 2018.

Share of Loss of Associates

Our share of loss of associates was nil for 2017, compared to RMB1.7 million for 2018.

Profit before Tax

As a result of the foregoing, our profit before tax increased by 23.8% from RMB118.2 million for 2017 to RMB146.3 million for 2018, which was negatively affected by our listing expenses of RMB18.2 million in 2018.

Income Tax Expense

As a result of the foregoing and our payment of dividend withholding tax of RMB5.6 million in Taiwan in 2018, our income tax expense increased by 32.8% from RMB28.7 million for 2017 to RMB38.1 million for 2018.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 19.8% from RMB94.6 million for the 2017 to RMB113.3 million for 2018.

2017 Compared to 2016

Revenue

Our revenue increased by 23.6% from RMB1,624.1 million for 2016 to RMB2,006.9 million for 2017, primarily due to (i) our expansion in first-tier cities in 2017; and (ii) the expansion of each of our business lines.

Revenue by Business Line

- *Flexible Staffing*. The revenue from our flexible staffing service increased by 22.9% from RMB1,379.7 million for 2016 to RMB1,696.1 million for 2017, primarily due to an increase in the number of associates placed during 2017.

- *Headhunting*. The revenue from our headhunting service increased by 15.8% from RMB199.2 million for 2016 to RMB230.7 million for 2017, primarily due to (i) an increase in the number of our headhunters, including both partners and consultants, (ii) an increase in revenue per headhunter, which we believe is primarily due to the increment of headhunters' experience as a result of a relatively low attrition rate of our headhunters; and (iii) an increase in the number of our successful placements and the average annual billable remuneration packages of our successfully placed candidates.

- *RPO*. The revenue from our RPO service increased by 19.6% from RMB21.4 million for 2016 to RMB25.6 million for 2017, primarily due to (i) our engagement with new clients as a result of the increased awareness of the brands we use and market recognition; and (ii) an increase in revenue contributed by existing clients as a result of our quality service.

- *Other HR Services*. The revenue from other HR services increased by 129.3% from RMB23.8 million for 2016 to RMB54.5 million for 2017 as a result of the introduction of certain new training and development services.

Revenue by Geographic Location

- *PRC.* Our revenue from the PRC market increased by 22.4% from RMB714.8 million for 2016 to RMB874.9 million for 2017, primarily due to an increase in our headcount and our expansion in first-tier cities.

- *Hong Kong and Macau.* Our revenue from the Hong Kong and Macau markets increased by 12.1% from RMB454.5 million for 2016 to RMB509.5 million for 2017, primarily due to an increase in our revenue from payroll services provided to new clients secured by us in 2017.

- *Taiwan.* Our revenue from the Taiwan market increased by 36.9% from RMB454.8 million for 2016 to RMB622.6 million for 2017, primary due to an increase in our revenue from payroll services as a result of the expansion of our major clients in Taiwan.

Cost of Services

Our cost of services increased by 24.6% from RMB1,243.7 million for 2016 to RMB1,549.5 million for 2017 primarily due to an increase in our staff cost of associates, which was in line with the expansion of our flexible staffing business. The increase in our cost of services outpaced the increase in our revenue, primarily due to an increase in our investment in our IT systems and infrastructure which improved our operating efficiency.

Gross Profit and Gross Profit Margin

Our gross profit increased by 20.3% from RMB380.4 million for 2016 to RMB457.4 million for 2017, as a result of our business expansion. Our overall gross profit margin decreased from 23.4% for 2016 to 22.8% for 2017, primarily due to the decrease in the gross profit margin for our flexible staffing business, which accounted for a substantial proportion of our total revenue and total gross profit. Such decrease was primarily due to decreases in the gross profit margins of several major clients in the PRC.

Flexible Staffing. Our gross profit margin for flexible staffing service decreased from 11.7% for 2016 to 11.4% for 2017, primarily due to decreases in the gross profit margins of several major clients in the PRC.

Headhunting. Our gross profit margin for headhunting service remained stable for 2016 and 2017.

RPO. Our gross profit margin for RPO service remained relatively stable for 2016 and 2017.

Other HR services. Our gross profit margin for other HR services decreased from 57.4% for 2016 to 48.5% for 2017, primarily due to the change of our business mix in our other HR services business line in 2017. Our government solutions services, which contributed a significant proportion of our gross profit for 2016, had a higher gross profit margin than our HR consultancy services, which contributed a significant proportion of our gross profit for 2017.

Selling and Administrative Expenses

Our selling and administrative expenses slightly increased by 20.1% from RMB291.2 million for 2016 to RMB349.7 million for 2017, primarily due to an increase in the number of consultants and partners as a result of our expansion.

Other Income

Our other income increased by 85.3% from RMB3.5 million for 2016 to RMB6.5 million for 2017, primarily due to an increase in interest income because a large portion of our bank deposits as of December 31, 2017 was deposited in June 2016 and an increase in government grants received by Manpower Ruixin.

Other Gains and Losses

We recorded other gains of RMB0.7 million for 2016 and other gains of RMB0.9 million for 2017, primarily due to increase in gains on structured deposits.

Finance Costs

We incurred finance costs of RMB0.1 million for 2017.

Profit before Tax

As a result of the foregoing, our profit before tax increased by 32.6% from RMB89.2 million for 2016 to RMB118.2 million for 2017.

Income Tax Expense

As a result of the foregoing, our income tax expense increased by 46.9% from RMB19.5 million for 2016 to RMB28.7 million for 2017.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 23.1% from RMB76.8 million for 2016 to RMB94.6 million for 2017.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements for 2016, 2017 and 2018 included in Appendix I to this prospectus:

	As of December 31,		
	2016	**2017**	**2018**
	(RMB in thousands)		
Non-current assets			
Property and equipment	8,767	10,388	13,833
Goodwill	33,048	65,910	69,310
Other intangible assets	–	42,105	41,669
Interests in associates	–	–	6,198
Available-for-sale investments	–	500	–
Equity instruments at fair value through other comprehensive income	–	–	9,705
Deferred tax assets	5,421	3,399	3,521
Other receivable	–	–	12,448
Deposits	8,176	11,261	14,710
Restricted bank deposits	13,739	12,998	9,299
Retirement benefit assets	433	419	388
Current assets			
Trade and other receivables, deposits and prepayments	339,235	383,514	451,409
Amounts due from non-controlling shareholders of subsidiaries	–	1,305	–
Amount due from ultimate holding company	2,362	1,231	4,159
Amounts due from fellow subsidiaries	2,341	–	–
Financial assets at fair value through profit or loss	–	–	87,279
Structured deposits	15,000	82,717	–
Restricted bank deposits	–	–	32,410
Time deposits with original maturity over three months	236,308	224,621	147,184
Bank balances and cash	267,694	286,774	229,839
Total assets	932,524	1,127,142	1,133,361

	As of December 31,		
	2016	2017	2018
	(RMB in thousands)		
Current liabilities			
Trade and other payables and contract liabilities	249,914	329,836	356,569
Amount due to ultimate holding company	8,113	9,872	20,713
Amounts due to fellow subsidiaries	–	1,783	2,411
Loans from non-controlling shareholders of subsidiaries	–	5,085	–
Tax payables	8,860	24,082	24,084
	266,887	370,658	403,777
Net current assets	596,053	609,504	548,503
Total assets less current liabilities	665,637	756,484	729,584
Non-current liability			
Deferred tax liabilities	–	6,948	6,875
Total liabilities	266,887	377,606	410,652
Net assets	665,637	749,536	722,709
Capital and Reserves			
Share capital	125	125	125
Reserves	618,573	676,493	652,813
Equity attributable to owners of the Company	618,698	676,618	652,938
Non-controlling interests	46,939	72,918	69,771
Total equity	665,637	749,536	722,709

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2016	2017	2018	2019
				(unaudited)
		(RMB in thousands)		
Current assets				
Trade and other receivables, deposits and prepayments	339,235	383,514	451,409	461,705
Amounts due from non-controlling shareholders of subsidiaries	–	1,305	–	–
Amount due from ultimate holding company	2,362	1,231	4,159	1,396
Amounts due from fellow subsidiaries	2,341	–	–	1,208
Financial assets at fair value through profit or loss	–	–	87,279	88,301
Structured deposits	15,000	82,717	–	–
Restricted bank deposits	–	–	32,410	17,917
Time deposits with original maturity over three months	236,308	224,621	147,184	25,808
Bank balances and cash	267,694	286,774	229,839	337,534
Current liabilities				
Trade and other payables and contract liabilities	249,914	329,836	356,569	329,798
Amount due to ultimate holding company	8,113	9,872	20,713	13,086
Amounts due to fellow subsidiaries	–	1,783	2,411	1,152
Loans from non-controlling shareholders of subsidiaries	–	5,085	–	–
Lease liabilities[(1)]	–	–	–	35,542
Tax payables	8,860	24,082	24,084	32,344
Net current assets	596,053	609,504	548,503	531,038

Note:

(1) The Group adopted IFRS 16 "Leases" on January 1, 2019 with the modified retrospective approach without restating comparative information.

We had net current assets of approximately RMB596.1 million, RMB609.5 million, RMB548.5 million and RMB531.0 million, respectively, as of December 31, 2016, 2017 and 2018 and April 30, 2019.

Our net current assets increased by approximately 2.2% to RMB609.5 million as of December 31, 2017 from approximately RMB596.1 million as of December 31, 2016, primarily due to (i) an increase in structured deposits in the amount of RMB67.7 million as we invested in structured deposits to seek higher return on our cash on hand, (ii) an increase in trade and other receivables, deposits and prepayments in the amount of RMB44.3 million in line with our business growth and (iii) an increase in bank balances and cash in the amount of RMB19.1 million. This was partially offset by (i) an increase in trade and other payables and contract liabilities in the amount of RMB79.9 million and (ii) an increase in tax payables of RMB15.2 million, in line with our business growth.

Our net current assets decreased by approximately 10.0% to RMB548.5 million as of December 31, 2018 from approximately RMB609.5 million as of December 31, 2017, primarily due to (i) a decrease in time deposits with original maturity over three months of RMB77.4 million, (ii) a decrease in bank balances and cash of RMB56.9 million, (iii) an increase in trade and other payables and contract liabilities of RMB26.7 million in line with our business growth and (iv) an increase in amount due to ultimate holding company of RMB10.8 million. This is partially offset by (i) an increase in trade and other receivables, deposits and prepayments of RMB67.9 million in line with our business growth and (ii) an increase in restricted bank deposits of RMB32.4 million due to an increase in our services provided to certain clients that require a security deposit. The decrease in our bank balances and cash, structured deposits and time deposits was primarily due to the payment of dividend of US$21.6 million.

Goodwill

We recorded goodwill in the amount of RMB33.0 million, RMB65.9 million and RMB69.3 million as of December 31, 2016, 2017 and 2018, respectively, in connection with our subsidiaries Manpower Services HK, Xi'an Fesco and Event Elite. Goodwill reflects the difference between the total acquisition consideration paid for the acquisition of subsidiaries and the total identifiable net assets of such subsidiaries. Goodwill arose in the acquisition of Event Elite because the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Event Elite. Event Elite is engaged in the provision of flexible staffing service for marketing and business promotion events in Hong Kong, and we believed the acquisition of Event Elite could further increase our business scale and revenue and improve our market coverage in Hong Kong. The purchase prices were determined after arm's-length negotiations. None of the goodwill recognized is expected to be deductible for income tax purposes.

For the purposes of impairment testing, goodwill and trademarks with indefinite useful lives have been allocated to three individual cash generating units ("**CGUs**"), comprising three subsidiaries. The carrying amounts of goodwill and trademarks with indefinite useful lives (net of accumulated impairment losses) allocated to these units are as follows:

	As of December 31,		
	2016	**2017**	**2018**
	(RMB in thousands)		
Manpower Services HK	30,438	28,309	29,830
Xi'an Fesco	2,610	2,610	2,610
Event Elite	–	65,149	68,647
	33,048	96,068	101,087

The recoverable amount of the CGUs has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period. The pre-tax rates used to discount the forecast cash flows from Manpower Services HK was 14.5%, 15.5% and 15.5% for 2016, 2017 and 2018, respectively. The pre-tax rate used to discount the forecast cash flows from Event Elite for 2017 and 2018 was 16% and 18.5% respectively. The pre-tax rates used to discount the forecast cash flows from Xi'an Fesco was 15%, 16% and 16% for 2016, 2017 and 2018, respectively. The CGUs' cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the CGUs' past performance and management's expectations for the market development. The profit for 2017 included RMB5.9 million attributable to the additional business generated by Event Elite, and the revenue for 2017 included RMB36.6 million generated from Event Elite. Had the acquisition been completed on January 1, 2017, our total revenue for 2017 would have been RMB2,528.7 million, and our profit for 2017 would have been RMB101.6 million. The *pro forma* information is for illustrative purposes only and is not necessarily an indication of our revenue and results of operations that actually would have been achieved had the acquisition been completed on January 1, 2017, nor is it intended to be a projection of future results. Considering the aforesaid, among other things, during the years ended December 31, 2016, 2017 and 2018, our management determined that there is no impairment on the CGUs. Our management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGUs to exceed the aggregate recoverable amount of the CGUs.

The table below sets forth the headroom which represents the excess of the recoverable amount over the carrying amount of the cash-generating units.

	Headroom		
	As of December 31,		
	2016	2017	2018
	(RMB in millions)		
Manpower Services HK	80	81	86
Xi'an Fesco	4	4	3
Event Elite	Note	Note	23

The table below sets forth a sensitivity analysis of the impact of variations in key assumptions, namely the discount rate and the revenue growth rate, on the headroom which represents the excess of the recoverable amount over the carrying amount of the cash-generating units.

	Headroom		
	As of December 31,		
	2016	2017	2018
	(RMB in millions)		
Revenue growth rate reduced by 3%:			
Manpower Services HK	32	34	39
Xi'an Fesco	4	3	2
Event Elite	Note	Note	9

	Headroom		
	As of December 31,		
	2016	2017	2018
	(RMB in millions)		
Pre-tax discount rate increased by 1%:			
Manpower Services HK	35	38	39
Xi'an Fesco	4	3	3
Event Elite	Note	Note	16

Note: Event Elite was acquired in September 2017, sensitivity analysis is not applicable and meaningful for 2016 and 2017.

Other Intangible Assets

Our other intangible assets primarily comprise trademarks and customer relationships as a result of our acquisition of Event Elite. The customer relationship primarily related to the existing clients and contracts of Event Elite on the acquisition date. We recorded other intangible assets of nil, RMB42.1 million and RMB41.7 million as of December 31, 2016, 2017 and 2018. The customer relationship has finite useful lives of 5 years.

We acquired Event Elite in September 2017. Our other intangible assets decreased slightly from RMB42.1 million as of December 31, 2017 to RMB41.7 million as of December 31, 2018.

Deferred Tax Assets/Liabilities

Deferred tax assets are recognized as a result of unused tax losses accrued during the previous years. Tax losses will expire within five years from the year of origination. Our deferred tax assets amounted to RMB5.4 million, RMB3.4 million and RMB3.5 million as of December 31, 2016, 2017 and 2018, respectively. The carrying amounts of deferred tax liability amounted to nil, RMB6.9 million and RMB6.9 million as of December 31, 2016, 2017 and 2018, respectively.

Deposits

Non-current deposits primarily comprise rental deposit paid to landlords related to our office spaces. Our deposits increased from RMB8.2 million as of December 31, 2016 to RMB11.3 million as of December 31, 2017 and further to RMB14.7 million as of December 31, 2018, as a result of the lease of new offices as we expanded our business.

Trade and Other Receivables, Deposits and Prepayments

Trade Receivables

Trade receivables primarily represent outstanding amount due from our clients for various services in the ordinary course of business. The following table sets forth our trade receivables as of the dates indicated:

	As of December 31,		
	2016	**2017**	**2018**
	(RMB in thousands)		
Trade receivables	328,399	368,329	417,274
Less: allowance for doubtful debts	(8,264)	(5,070)	(4,607)
	320,135	363,259	412,667

Our trade receivables increased by 12.1% from RMB328.4 million as of December 31, 2016 to RMB368.3 million as of December 31, 2017 and further increased by 13.3% to RMB417.3 million as of December 31, 2018, in line with our business growth.

We generally allow average credit period ranging from 30 to 90 days to our clients. We assign a credit limit to a client to reflect the level of potential risk associated with such client and the risk our management is willing to accept to service such client. We also take into account our expected sales to the client when assigning a credit limit. We have established procedures to monitor the client's utilization of its assigned credit limit. We make modifications to the credit limit as appropriate upon internal approval. We review the assigned credit limit at least annually to reassess the client's credit worthiness to ensure the assigned credit limit is still appropriate.

As part of our credit risk management, we apply internal credit rating for our clients. The following table sets forth the exposure to credit risk for trade receivables which are assessed based on provision matrix as of December 31, 2018 within lifetime ECL (not credit-impaired) upon the adoption of IFRS 9. Debtors with credit-impaired with gross carrying amounts of RMB3,297,000 as of December 31, 2018 were assessed individually.

	As of December 31, 2018		
	Average loss rate	**Gross trade receivables**	**ECL**
		(RMB in thousands)	
Assessed based on provision matrix			
Internal credit rating:			
Low risk[(1)]	0.24%	404,259	970
Watch list[(2)]	3.5%	9,718	340
		413,977	1,310
Assessed individually			
Loss	100%	3,297	3,297
		417,274	4,607

Notes:

(1) Applicable to counter-parties with a low risk of default who do not have any past-due amounts and usually settle within the credit period.

(2) Applicable to debtors with past-due amounts who frequently repay after due dates.

The estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by our management to ensure relevant information about specific debtors is updated.

The following table sets forth an aging analysis of our trade receivables, based on the invoice date and net of allowance for doubtful debts, as of the dates indicated:

	As of December 31,		
	2016	2017	2018
	(RMB in thousands)		
0 – 30 days	295,740	342,013	383,073
31 – 60 days	13,917	14,648	17,915
61 – 90 days	5,365	5,853	8,034
Over 90 days	5,113	745	3,645
	320,135	363,259	412,667

We recognize allowance for certain trade receivables which have been past due and are considered as doubtful debts or irrecoverable by our management.

The table below sets forth the turnover days of our trade receivables for the years indicated:

	For the year ended December 31,		
	2016	2017	2018
Trade receivable turnover days[(1)]	N/A[(2)]	50	44

Notes:

(1) Calculated as the average balances of trade receivables at the beginning and end of the period divided by revenue (from continuing and discontinued operations) in the period then multiplied by 360.

(2) Manpower China became the holding company of the subsidiaries of MAN operating in the Greater China region at the time in 2015, and we did not prepare any consolidated accounts for the year ended December 31, 2015. Therefore, these ratios for 2016 are not available because the calculations of such ratios use certain items as of December 31, 2015.

Our trade receivable turnover days decreased from 50 days for 2017 to 44 days for 2018, primarily due to our effective and enhanced collection efforts described below.

To expedite the recovery of our trade receivables, we have formulated and implemented various measures. We operate a decentralized credit and collection system where the Business Unit General Manager and Finance Business Partner or Finance Director of each business unit or entity assumes complete responsibility for extension of credit and collections of all accounts receivable. The Business Unit General Manager and Finance Business Partner or Finance Director are required to administer effective client credit practices and aggressively pursue collections by establishing credit limits and collection procedures. The procedures established must be sufficient to support the operation in meeting days sales outstanding (DSO) objectives.

The organizational and system structure within the business unit or entity must ensure appropriate separation of responsibilities for credit and collection activities, access and responsibility to apply client payments to the receivable subsidiary ledger, access to client payments (cash or check), processing sales adjustments or write-offs of accounts receivable from the system and bank reconciliation procedures for accounts with client payments. We require each business unit or entity to establish standard client payment terms in writing and provide operational personnel with sufficient training in the understanding and analysis of the impact of extended payment terms on the profitability of the client agreement/contract. All new contracts or contract renewals with annual revenue in excess of RMB5 million and payment terms of 60 days or greater require the Chief Financial Officer's approval. We have established written procedures setting out various steps and methods to be utilized to collect delinquent accounts. We have also established proper approval procedures for placing accounts with attorneys for collection and to write-off uncollectible accounts against the bad debt reserve.

Approximately RMB400.8 million, or 96.1% of our trade receivables as of December 31, 2018 had been settled as of the Latest Practicable Date.

Other Receivables, deposits and prepayments

Other receivables, deposits and prepayments primarily represent security deposits paid to landlords related to our office spaces that are due within one year and our prepayments related to office equipment. Our other receivables, deposits and prepayments increased by 91.3% from RMB20.3 million as of December 31, 2017 to RMB38.7 million as of December 31, 2018, primarily due to (i) an increase in rental deposit in line with our business growth as we rented more office space; (ii) the consideration due to us for the disposal of our equity interest in Guangzhou Reach; and (iii) prepaid listing expenses and deferred issue costs related to the Listing. Our other receivables, deposits and prepayments increased by 6.3% from RMB19.1 million as of December 31, 2016 to RMB20.3 million as of December 31, 2017, primarily due to an increase in rental deposit in line with our business growth.

Amounts due from Non-controlling Shareholders

Amount due from non-controlling shareholders refer to the amount payable by Event Elite to its shareholders that accrued before our acquisition of Event Elite. See "—Selected Statements of Profit or Loss Items—Continuing Operations—Finance Costs." Our amounts due from non-controlling shareholders have been fully settled.

Amount due from Ultimate Holding Company/Amounts due from Fellow Subsidiaries

In certain circumstances, we had arrangements with our ultimate holding company (*i.e.*, MAN) or fellow subsidiaries for the provision of flexible staffing services and management coordination services. All these arrangements were entered into in the ordinary course of business on an arm's length basis. Under the arrangements in respect of the flexible staffing services, the ultimate holding company or fellow subsidiaries receive payment from the respective clients on behalf of us and then pay us. Amounts due from ultimate holding company and/or fellow subsidiaries in respect of the management coordination services refer to the amounts calculated as a certain percentage of the remuneration of the related personnel to be paid to us under such arrangement.

As of December 31, 2016, 2017 and 2018, our amounts due from ultimate holding company were RMB2.4 million, RMB1.2 million and RMB4.2 million, respectively. As of December 31, 2016, 2017 and 2018, our amounts due from fellow subsidiaries were RMB2.3 million, nil and nil, respectively.

We plan to enter into a master service agreement with MAN which will take effect upon the Listing. Pursuant to this master service agreement, we will continue to contract with MAN, among others, for the provision of flexible staffing services and management coordination services. See the section headed "Connected Transactions."

Structured Deposits / Financial Assets at Fair Value through Profit or Loss

The structured deposits/financial assets at fair value through profit or loss represent certain financial products issued by banks in the PRC. The banks guaranteed 100% of the invested principal amounts and returns of which are determined by reference to the change in certain interest rates quoted in the market or the performance of underlying investments as specified in the relevant deposit placements. See "—Selected Statements of Profit or Loss Items—Continuing Operations—Other Income."

As of December 31, 2016, 2017 and 2018, our structured deposits/financial assets at fair value through profit or loss were RMB15.0 million, RMB82.7 million and RMB87.3 million, respectively.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. Details of the accounting policies on fair value measurement of financial assets are set out in note 33(c) to Historical Financial Information of the Group as set out in the Accountants' Report contained in Appendix I to this prospectus.

The fair values of our structured deposits/financial assets at fair value through profit or loss are determined based on discounted cash flows. The estimated returns, key input of the future cash flows, are not observable market data as they are determined by reference to the change in certain interest rates or the performance of underlying investments as specified in the relevant deposit placements which are unobservable inputs. Therefore, our structured deposits/financial assets at fair value through profit or loss are categorized within Level 3 of the fair value measurements. Details of the fair value measurement of these structured deposits, particularly the fair value hierarchy, the valuation techniques and key inputs, including the significant unobservable inputs, the relationship of unobservable inputs to fair value and reconciliation of level 3 measurements, are disclosed in note 33(c) to the Historical Financial Information of the Group for the Track Record Period as set out in the accountants' report issued by the Reporting Accountants in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants in Appendix I. The Reporting Accountants' opinion on the Historical Financial Information of the Group for the Track Record Period as a whole is set out on I-2 of Appendix I.

In relation to this valuation analysis, our Directors confirm they have adopted the following procedures: (i) carried out independent and sufficient investigation and due diligence, including (a) understanding the nature of the structured deposits; (b) carefully considering all information that is relevant to the assessment of the structured deposits, including estimated return provided by the banks and actual return subsequently confirmed with the banks; (c) taking all reasonable steps to verify the accuracy and reasonableness of material information that is likely to affect the valuation of the structured deposits; and (ii) participated in the due diligence and discussions with the Sole Sponsor and the Reporting Accountants with respect to the valuation analysis. Our Directors are of the view that the valuation analysis is fair and reasonable.

In relation to this valuation analysis, the Sole Sponsor has (i) reviewed the underlying documents relating to the structured deposits on a sample basis; (ii) discussed with the management of the Company to understand the material information likely to affect the valuation of the structured deposits; (iii) considered the nature of the structured deposits, including the maturity profile, the risks involved, estimated return provided by the banks and actual return subsequently confirmed with the banks; and (iv) participated in the discussions with the Reporting Accountants with respect to the valuation analysis. Based on the above due diligence, nothing has come to the Sole Sponsor's attention that would cause the Sole Sponsor to question the valuation analysis.

Restricted Bank Deposits

Restricted bank deposits represent bank deposits which are restricted for a guarantee issued to us by a bank for a contract with the Government of Hong Kong in relation to supply services of information technology contract staff. As of December 31, 2016, 2017 and 2018, the restricted bank deposits carried interest at rates of 0.25% to 0.59%, 0.25% to 0.59% and 0.5% to 2.18% *per annum*, respectively. As of December 31, 2016, 2017 and 2018, our restricted deposits were RMB13.7 million, RMB13.0 million and RMB41.7 million, respectively.

Trade and Other Payables and Contract Liabilities

Trade Payables

Trade payables are primarily related to payables to suppliers of payroll services. As of December 31, 2016, 2017 and 2018 our trade payables amounted to RMB10.8 million, RMB25.4 million and RMB15.1 million, respectively.

Our trade payables decreased by 40.3% from RMB25.4 million as of December 31, 2017 to RMB15.1 million as of December 31, 2018, primarily because (i) an increase in our accrued payroll and other accrued expenses, which were outstanding balances with our suppliers before invoices were issued (once the suppliers issue invoices, the relevant accruals will be reclassified as payables); and (ii) we sold a majority interest in Guangzhou Reach in 2018, which ceased to be our subsidiary after the disposal, and the trade payables of Guangzhou Reach were not included in our trade payables as of December 31, 2018. Our trade payables increased by 135.2% from RMB10.8 million as of December 31, 2016 to RMB25.4 million as of December 31, 2017, primarily due to our business growth.

The following table sets forth an aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,		
	2016	2017	2018
	(RMB in thousands)		
0 – 30 days	10,331	24,841	13,308
31 – 60 days	329	359	343
61 – 90 days	–	39	1,180
91 – 120 days	139	114	293
	10,799	25,353	15,124

The table below sets forth the turnover days of our trade payables for the years indicated:

	For the year ended December 31,		
	2016	2017	2018
Trade payable turnover days[1]	N/A[2]	4	4

Notes:

(1) Calculated as the average balances of trade payables at the beginning and end of the period divided by the relevant cost of services (from continuing operations) in the relevant period then multiplied by 360.

(2) Manpower China became the holding company of the MAN subsidiaries operating in the Greater China region at the time in 2015, and we did not prepare any consolidated accounts for the year ended December 31, 2015. Therefore, these ratios for 2016 are not available because the calculations of such ratios use certain items as of December 31, 2015.

The trade payable turnover days remained stable during the Track Record Period. We have short trade payable turnover days, because our trade payables are largely related to the payroll services we outsourced from payroll service providers for some of our employees, primarily the associates of our flexible staffing service, which suppliers generally require a fast turnover of our trade payables and do not grant a long credit period.

RMB15.1 million, or 100%, of our trade payables as of December 31, 2018 had been settled as of the Latest Practicable Date.

Other Payables and Contract Liabilities

Other payables and contract liabilities primarily include accrued payroll and other expenses other tax payables, dividends payables to non-controlling shareholders and contract liabilities related to our flexible staffing business for which our clients have made prepayments to us. The following table sets forth the components of our other payables as of the dates indicated:

	As of December 31,		
	2016	2017	2018
	(RMB in thousands)		
Accrued payroll and other expenses	213,177	263,791	292,262
Contract liabilities	6,814	10,500	12,821
Other tax payables	19,124	19,883	21,954
Dividends payables to non-controlling shareholders of subsidiaries	–	10,309	–
Accrued issue costs and listing expenses	–	–	14,408
	239,115	304,483	341,445

Our other payables and contract liabilities increased by 27.3% from RMB239.1 million as of December 31, 2016 to RMB304.5 million as of December 31, 2017 primarily due to business expansion. Our other payables and contract liabilities increased by 12.1% to RMB341.4 million as of December 31, 2018 from RMB304.5 million as of December 31, 2017, primarily due to (i) our business expansion; and (ii) our accrued issue costs and listing expenses as of December 31, 2018.

Amount due to Ultimate Holding Company/Amounts due to Fellow Subsidiaries

Amount due to ultimate holding company primarily refer to the licensing fee payable by us in relation to the MAN Group trademarks and other intellectual property and policies. As of December 31, 2016, 2017 and 2018, our amounts due to ultimate holding company were RMB8.1 million, RMB9.9 million and RMB20.7 million, respectively, such increase is primarily due to the outstanding licensing fee. Amounts due to fellow subsidiaries primarily represent non-trade advances from fellow subsidiaries.

Loans from Non-controlling Shareholders

Loans from non-controlling shareholders refer to the working capital fund due from the non-controlling shareholders of Event Elite. See "—Selected Statements of Profit or Loss Items—Continuing Operations—Finance Costs."

KEY FINANCIAL RATIOS[1]

	For the year ended/As of December 31,		
	2016	2017	2018
	(percentages, except for turnover days and current ratios)		
Total revenue growth[2]	N/A[3]	23.6	24.1
Net profit growth[4]	N/A[3]	28.5	20.9
Gross margin[5]	23.4	22.8	22.7
Net margin[6]	4.3	4.5	4.3
Return on equity[7]	N/A[3]	13.4	15.4
Current ratio[8]	3.2	2.6	2.4
Trade receivable turnover days[9]	N/A[3]	50	44
Return on assets[10]	N/A[3]	9.2	10.0

Notes:

(1) Unless otherwise specified, results of discontinued operation are not included in the calculation of these financial ratios.

(2) Calculated as total revenue for the current year minus total revenue for the previous year, divided by total revenue for the previous year, multiplied by 100%.

(3) Manpower China became the holding company of the MAN subsidiaries operating in the Greater China region at the time in 2015, and we did not prepare any consolidated accounts for the year ended December 31, 2015. Therefore, these ratios for 2016 are not available because the calculations of such ratios use certain items as of December 31, 2015.

(4) Calculated as net profit for the current year minus net profit for the previous year, divided by net profit for the previous year, multiplied by 100%.

(5) Calculated as gross profit divided by revenue for the year, multiplied by 100%.

(6) Calculated as net profit divided by revenue for the year, multiplied by 100%.

(7) Calculated as net profit (from continuing and discontinued operations) divided by average total equity at the beginning and end of the year, multiplied by 100%.

(8) Calculated as current assets divided by current liabilities as of the end of the year.

(9) Calculated as the average balance of trade receivables at the beginning and end of the year divided by revenue (from continuing and discontinued operations) in the year, multiplied by 360 .

(10) Calculated as net profit (from continuing and discontinued operations) divided by average total assets at the beginning and end of the year, multiplied by 100%.

Total Revenue Growth

Our total revenue increased by 23.6% from RMB1,624.1 million for 2016 to RMB2,006.9 million for 2017, primarily due to (i) our expansion in first-tier cities in 2017; and (ii) the expansion of each of our business lines. Our total revenue increased by 24.1% from RMB2,006.9 million for 2017 to RMB2,491.5 million for 2018, primarily due to (i) the expansion of each of our business lines; and (ii) the acquisition of Event Elite in September 2017.

Net Profit Growth

Our net profit increased by 28.5% from RMB69.7 million for 2016 to RMB89.5 million for 2017, primarily due to (i) the total revenue growth of 23.6%; and (ii) the acquisition of Event Elite in September 2017. Our net profit increased by 20.9% from RMB89.5 million for 2017 to RMB108.3 million for 2018, primarily due to the total revenue growth of 24.1%. Our net profit growth for 2018 was negatively affected by our listing expenses of RMB18.2 million in 2018 and our payment of dividend withholding tax of RMB5.6 million in Taiwan in 2018.

Gross Margin

Our overall gross profit margin decreased from 23.4% for 2016 to 22.8% for 2017, primarily due to the decrease in the gross profit margin for our flexible staffing business, which contributed a substantial proportion of our total revenue and total gross profit. Such decrease was primarily due to our strategy of targeting the wider market and obtaining flexible staffing orders from local clients for which we generally charge a lower margin, to further increase our revenue, in addition to multinational companies. Our overall gross profit margin remained relatively stable in 2018.

Net Margin

Our net profit margin remained relatively stable during the Track Record Period. Our net profit margin for 2018 was negatively affected by our listing expenses of RMB18.2 million in 2018 and our payment of dividend withholding tax of RMB5.6 million in Taiwan in 2018.

Return on Equity

Our return on equity increased from 13.4% for 2017 to 15.4% for 2018, primarily due to (i) our increased profitability and (ii) a decrease in total equity as a result of our dividend payment of US$21.6 million in 2018.

Current Ratio

Our current ratio decreased from 3.2 as of December 31, 2016 to 2.6 as of December 31, 2017, primarily due to an increase in trade payables by 134.8% from RMB10.8 million as of December 31, 2016 to RMB25.4 million as of December 31,2017, which is in line with our business growth. Our current ratio decreased from 2.6 as of December 31, 2017 to 2.4 as of December 31, 2018, primarily due to decreases in bank balances and cash and time deposits with original maturity over three months, which in turn was largely due to our payment of dividends of US$21.6 million.

Trade Receivable Turnover Days

Our trade receivable turnover days decreased from 50 days for 2017 to 44 days for 2018, primarily due to our effective and enhanced collection efforts.

Return on Assets

Our return on assets increased from 9.2% for 2017 to 10.0% for 2018, primarily due to our increased profitability.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

The following table sets forth a summary of our cash flows for the years indicated:

	For the year ended December 31,		
	2016	2017	2018
	(RMB in thousands)		
Net cash from operating activities	68,245	141,680	78,544
Net cash (used in) from investing activities	(240,468)	(104,243)	11,842
Net cash (used in) from financing activities	(2,320)	917	(166,706)
Net (decrease) increase in cash and cash equivalents	(174,543)	38,354	(76,320)
Cash and cash equivalents at the beginning of the year	419,876	267,694	286,774
Effect of foreign exchange rate changes	22,361	(19,274)	19,385
Cash and cash equivalents at the end of the year	267,694	286,774	229,839

Net Cash from Operating Activities

Cash generated from operations primarily comprises our loss or profit for the year adjusted by non-cash items and changes in working capital. Our cash inflows from operating activities primarily consist of cash received for services we provided. Our cash outflows used in operating activities primarily consist of cash payments to our suppliers, employee salaries and benefits and lease payments.

Net cash from operating activities amounted to RMB78.5 million for 2018, primarily reflecting (i) profit before tax of RMB152.9 million, which was negatively affected by our listing expense of RMB18.2 million in 2018; (ii) positive total adjustment before movements in working capital of RMB1.7 million; (iii) negative movements in working capital of RMB37.5 million, which in turn primarily reflected an increase in trade and other receivables, deposits and prepayments of RMB109.6 million which was in line with our business growth and a large portion of which was within 30 days from the relevant invoice dates, as partially offset by an increase in trade and other payables of RMB60.1 million; and (iv) income tax paid of RMB38.6 million, which included our dividend withholding tax of RMB5.6 million in Taiwan in 2018, among others.

Net cash from operating activities amounted to RMB141.7 million for the year ended December 31, 2017, primarily reflecting (i) profit before tax of RMB124.9 million; (ii) negative total adjustment before movements in working capital of RMB4.1 million; (iii) positive movements in working capital of RMB37.7 million, which in turn primarily reflected RMB63.9 million increase in trade and other payables and contract liabilities, as partially offset by RMB32.1 million increase in trade and other receivables, deposits and prepayments; and (iv) income tax paid of RMB16.7 million.

Net cash from operating activities amounted to RMB68.2 million for the year ended December 31, 2016, primarily reflecting (i) profit before tax of RMB98.6 million; (ii) positive total adjustment before movements in working capital of RMB6.8 million; (iii) negative movements in working capital of RMB16.6 million, which in turn primarily reflected RMB46.4 million increase in trade and other receivables, deposits and prepayments, as partially offset by RMB31.4 million increase in trade and other payables and contract liabilities; and (iv) income tax paid of RMB20.6 million.

Net Cash (Used in)/From Investing Activities

Our investing activities consist primarily of purchases of items of property and equipment, placement or settlement of structured deposits, deposits into or withdrawals from time deposits and deposits into or withdrawals from restricted bank deposits.

Net cash from investing activities amounted to RMB11.8 million for the year ended December 31, 2018, primarily reflecting withdrawal of time deposits of RMB654.6 million, settlement of structured deposits of RMB587.6 million and withdrawal of restricted bank deposits of RMB18.5 million, partially offset by placement of structured deposits of RMB588.6 million, placement of time deposits of RMB577.1 million, placement of restricted bank deposit of RMB47.2 million and net cash outflow arising from disposal of subsidiaries of RMB21.0 million.

Net cash used in investing activities amounted to RMB104.2 million for the year ended December 31, 2017, primarily reflecting placement of structured deposits of RMB273.0 million, placement of time deposits of RMB224.6 million and acquisition of a subsidiary with RMB46.9 million, partially offset by settlement of structured deposits of RMB206.9 million and withdrawal of time deposits of RMB236.3 million.

Net cash used in investing activities amounted to RMB240.5 million for the year ended December 31, 2016, primarily reflecting placement of structured deposits of RMB70.1 million and placement of time deposits of RMB236.3 million, partially offset by settlement of structured deposits of RMB55.2 million and withdrawal of restricted bank deposits of RMB13.4 million.

Net Cash From/(Used in) Financing Activities

Our financing activities primarily include borrow and repaying of loans from non-controlling shareholders and dividends paid to non-controlling interests.

Net cash used in financing activities amounted to RMB166.7 million for the year ended December 31, 2018, primarily reflecting dividends paid of RMB148.5 million and dividends paid to non-controlling shareholders of subsidiaries of RMB12.1 million.

Net cash from financing activities amounted to RMB0.9 million for the year ended December 31, 2017, primarily reflecting RMB1.4 million in proceeds from non-controlling shareholders loans and RMB1.8 million in advance from fellow subsidiaries, as partially offset by RMB2.1 million dividends paid to non-controlling interests.

Net cash used in financing activities amounted to RMB2.3 million for the year ended December 31, 2016, reflecting dividends paid to non-controlling interests.

Working Capital

We have historically funded our cash requirements principally from cash generated from our operations. During the Track Record Period, our principal uses of cash was for operational activities. We had cash and cash equivalents of RMB267.7 million, RMB286.8 million and RMB229.8 million as of December 31, 2016, 2017 and 2018, respectively.

Our Directors are of the opinion that, taking into consideration the financial resources presently available to us, including our internal resources, and the estimated net proceeds from the Global Offering, our Group has sufficient working capital for its present requirements, that is, for at least the next 12 months commencing from the date of this prospectus. We currently do not have any plans for material additional external financing other than the Global Offering.

Our Directors also confirm that we had no material defaults in payment of trade and non-trade payables and bank borrowings, nor any breach of financial covenants during the Track Record Period.

CAPITAL EXPENDITURES AND LONG-TERM INVESTMENTS

Our capital expenditures are incurred mainly for office renovation, office equipment and IT system development and maintenance. In 2016, 2017 and 2018, our capital expenditures amounted to RMB5.3 million, RMB6.1 million and RMB8.6 million, respectively. Our capital expenditures have been primarily funded by cash generated from our operations and capital contributions from our shareholders.

The total estimated capital expenditure to be incurred for the two years ending December 31, 2020 is RMB18 million, primarily attributable to office rental and decoration and purchase of office equipment. Our principal sources of funds for such capital expenditure are our operating cash flow and a portion of the net proceeds from the Global Offering. See the section headed "Future Plans and Use of Proceeds" in this prospectus.

CAPITAL COMMITMENTS

Operating Lease Commitments

Our commitments primarily relate to the leases of office buildings under operating lease agreements. The lease terms under those agreements are generally three years, and all of them are renewable at the end of the applicable lease period at the then market rate.

Our future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As of December 31,		
	2016	2017	2018
	(RMB in thousands)		
Within one year	32,646	34,074	29,324
In the second to fifth year, inclusive	46,353	66,960	59,159
	78,999	101,034	88,483

Other than those shown above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2018.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Save as the operating lease commitments disclosed above, during the Track Record Period and up to the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

INDEBTEDNESS

As of April 30, 2019, being the latest practicable date for the purpose of this statement of indebtedness, we had (i) unsecured and unguaranteed amount due to ultimate holding company and amounts due to fellow subsidiaries of RMB7.6 million and RMB0.3 million, respectively and (ii) lease liabilities of RMB92.2 million which were secured by rental deposits and unguaranteed and RMB4.2 million which were unsecured and unguaranteed. Our amounts due to our ultimate holding company and fellow subsidiaries were non-trade in nature, non-interest bearing and repayable on demand. As of April 30, 2019, being the latest practicable date for the purpose of this statement of indebtedness, we had no unutilized banking facilities.

Except as disclosed above and in the section headed "— Contingent Liabilities" below, our Directors confirm that we did not have any outstanding mortgages, charges, bank overdrafts, loans, debt securities, finance leases or hire purchase commitments, guarantees or other material contingent liabilities, debentures, liabilities under acceptances or acceptance credits outstanding as of April 30, 2019.

CONTINGENT LIABILITIES

As of April 30, 2019, we had outstanding surety bonds of approximately RMB115.3 million, for which restricted bank deposits and financial assets at fair value through profit or loss were pledged as required by certain clients.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, we have entered into a number of related party transactions. For details, see "—Amounts due from Ultimate Holding Company/Amounts due from Fellow Subsidiaries" above and note 31 to the Accountants' Report included in Appendix I to this prospectus.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including interest rate risk, credit risk and liquidity risk.

Interest Rate Risk

Our fair value interest rate risk relates primarily to our fixed-rate time deposits with original maturity over three months. We are also exposed to cash flow interest rate risk in relation to variable rate restricted bank deposits and bank balances and variable-rate loans from non-controlling shareholders.

Credit Risk

Our credit risk relates primarily to structured deposits, time deposits with original maturity over three months, restricted bank deposits and bank balances and other receivables, deposits and prepayments 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, by geographical region. There are no significant concentrations of credit risk within our Group.

Liquidity Risk

We manage 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.

DIVIDEND

Under the Articles of Association, our Company in general meeting may declare dividends in any currency to be paid to the shareholders but no dividend shall be declared in excess of the amount recommended by the Board. The Articles of Association provide dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. According to the relevant provisions of the Taiwan Income Tax Act, a Taiwan company shall withhold 21% of dividends allocated to a foreign shareholder (or an applicable lower tax rate provided by a tax treaty applicable to the shareholder) for income tax since dividends paid by a Taiwan company are Taiwan source income. From January 1, 2018 onwards, any earnings that a Taiwan company generates in a fiscal year but are not distributed in the following year shall be subject to a 5% unappropriated earnings tax. Such 5% undistributed earnings tax will further reduce the retained earnings available for future distribution, and no undistributed earnings tax paid can be offset against the 21% withholding tax.

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate. During the Track Record Period, we declared a dividend of US$21.6 million on December 21, 2018, which has been paid subsequently. We declared and paid another dividend of US$13.7 million in June 2019.

We currently expect to distribute approximately 35% to 45% of our annual net profit to our Shareholders as dividends after the Listing. This current expectation is not a binding commitment by our Company. Actual decisions to declare dividends, of any amounts or at all, will be made by our Board of Directors upon consideration of various factors, including our results of operations, cash flows, financial position, statutory and regulatory restrictions, future prospects and others.

DISTRIBUTABLE RESERVES

As of December 31, 2018, our Company had distributable reserves of RMB0.5 billion.

LISTING EXPENSES

Our total listing expenses (including underwriting commission) are estimated to be approximately RMB64.3 million, based on the mid-point of the Offer Price range stated in this prospectus and assuming that the Over-allotment Option is not exercised. As of December 31, 2018, we had incurred listing expenses of RMB22.5 million. We expect to incur listing expenses of approximately RMB35.3 million, of which RMB18.6 million will be recognized as administrative expenses and RMB16.7 million as a deduction in equity. We do not believe the remaining listing expenses will have a material adverse impact on our results of operations for the year ending December 31, 2019.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited *pro forma* statement of adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on the net tangible assets of our Group as of December 31, 2018 as if the Global Offering had taken place on that date.

The unaudited *pro forma* statement of adjusted net tangible assets of our Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not provide a true picture of our net tangible assets had the Global Offering been completed as of December 31, 2018 or at any future date.

It is prepared based on our consolidated net assets as of December 31, 2018 as set forth in the Consolidated Financial Statements in Appendix I to this prospectus, and adjusted as described below. No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to December 31, 2018. Our unaudited *pro forma* adjusted net tangible assets does not form part of the Accountants' Report in Appendix I to this prospectus.

	Consolidated net tangible assets of our Group attributable to the owners of our Company as of December 31, 2018[(1)]	Estimated net proceeds from the Global Offering[(2)(4)]	Unaudited *pro forma* adjusted consolidated net tangible assets of our Group attributable to the owners of our Company	Unaudited *pro forma* adjusted consolidated net tangible assets of our Group attributable to the owners of our Company per Share[(3)(4)(5)]	
	(RMB in thousands)	*(RMB in thousands)*	*(RMB in thousands)*	*(RMB)*	*(HK$)*
Based on the offer price of HK$9.9 for each Offer Share	562,377	397,462	959,839	4.80	5.45
Based on the offer price of HK$12.6 for each Offer Share	562,377	513,267	1,075,644	5.38	6.11

Notes:

(1) The consolidated net tangible assets of the Group attributable to the owners as of December 31, 2018, has been extracted from the Consolidated Financial Statements set out in Appendix I to this prospectus and adjusted for goodwill and other intangible assets attributable to the owners of our Company of approximately RMB69,310,000 and RMB21,251,000, respectively.

(2) The estimated net proceeds from the Global Offering are based on the offer price of HK$9.9 per Share and HK$12.6 per Share, respectively, after deduction of the underwriting fees and other related expenses payable by us, and based on the assumption that the Over-allotment Option and any options which may be granted under the Share Option Scheme are not exercised.

(3) The unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to the owners of our Company per share are calculated after the adjustments referred to in note (2) above and on the basis that 200,000,000 Shares are issued, assuming the Global Offering had been completed on December 31, 2018, and the Over-allotment Option and any options which may be granted under the Share Option Scheme are not exercised.

(4) The translation between RMB and Hong Kong dollars has been made at the rate of RMB0.880 to HK$1.00, the PBOC rate prevailing on June 18, 2019. No representation is made that the Hong Kong dollar amounts have been, could have been or could be converted to RMB, or *vice versa*, at that rate or at any other rate, or at all.

(5) No adjustments have been made to the unaudited *pro forma* adjusted consolidated net tangible assets attributable to the owners of our Company to reflect any trading results or other transactions which our Group entered into subsequent to December 31, 2018.

(6) The unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2018 does not take into account the dividend in an amount of approximately US$13.7 million (equivalent to approximately RMB94.2 million) declared on June 5, 2019 (the "**Dividend**"). United States dollars is converted into RMB at the exchange rate of US$1.00 to RMB6.890, which was the exchange rate prevailing on June 5, 2019 with reference to the rate published by the PBOC. No representation is made that the US$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or at any other rates or at all.

For illustrative purpose, had the Dividend of RMB94.2 million been taken into account, the unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2018 and the unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2018 per Share would have been further adjusted as below, which is calculated based on 200,000,000 Shares in issue immediately following the completion of the Global Offering and the Capitalization Issue without taking into account of any Shares which may be (i) allotted and issued upon the exercise of the Over-allotment Option, (ii) allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme or (iii) allotted and issued or repurchased by the Company pursuant to the general mandates referred to in Appendix IV to the prospectus:

	Unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 after taking into account of the Dividend	**Unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 after taking into account of the Dividend per Share**	
	(RMB in thousands)	*(RMB)*	*(HK$)*[4]
Based on the offer price of HK$9.9 for each Offer Share	865,602	4.33	4.92
Based on the offer price of HK$12.6 for each Offer Share	981,407	4.91	5.58

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2018, being the date to which our latest consolidated audited financial results included in Appendix I to this prospectus were prepared.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

We are seeking the Listing because we believe it will bring the following benefits to us and our shareholders:

- *More accurate valuation for business growth.* The growth prospects for the HR services industry in the Greater China region are different from those in the mature markets of the United States and Europe. Our Directors are of the view that the Listing will enable investors to appraise and assess the financial performance and growth potentials of our Group as a separate entity and thus facilitate our further growth in the region, which is beneficial to our Shareholders;

- *Liquidity for our stakeholders.* Like any listing, a Listing of our Shares can create a liquid trading market for them. We consider our highly experienced talent important to our continuous growth. We believe the Listing will help further incentivize our talent, some members of which are stakeholders of our Company, to drive the long-term success of our Group;

- *Access to the capital markets.* We will appreciate access to the capital markets as a public company upon Listing; and

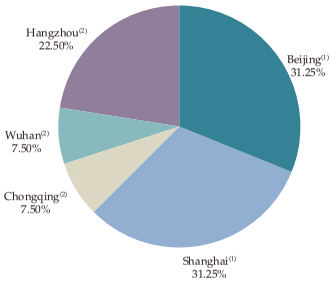
- *Enhancement of brand image.* We believe the Listing will further improve our brand image and market acceptance of our services.

See the section headed "Business—Business Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering we will receive, assuming an Offer Price of HK$11.25 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK$507.7 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering, assuming the Over-allotment Option and any options which may be granted under the Share Option Scheme are not exercised. We intend to use such net proceeds:

Categories	Percentage of Total Proceeds	Amount of Proceeds	Specific Plans	Percentage of Total Proceeds	Timeframe	Details
		(HK$ in millions)				
Business expansion	30%	152.3	Expand our business scale and market share:			According to CIC, our share in the workforce solutions market in Greater China is 1.74% by revenue in 2018 and the first-tier cities and the southeastern coastal areas in China are where the "new economy" industries and the service sector are concentrated. The growing business in the service sector and increasing market size of the new economy are expected to generate more demand for talent and flexible staff.
			(i) to further expand our service offerings, particularly flexible staffing, in cities where we have operations, particularly Shanghai and Beijing; and	21%	In the next 12 to 24 months	

Categories	Percentage of Total Proceeds	Amount of Proceeds (*HK$ in millions*)	Specific Plans	Percentage of Total Proceeds	Timeframe	Details
			(ii) to expand our geographic coverage by establishing presence in new cities, in particular second-tier cities and Central and Western China such as Hangzhou, Wuhan and Chongqing. According to CIC, Hangzhou is a cluster of IT industries where IT giants such as Alibaba and Netease are headquartered. One of our top five clients is based in Hangzhou. According to CIC, Wuhan is an important IT center in central China, and Chongqing is a key city in midwest China. These three cities are deemed as emerging clusters of IT and new economy industries. We believe our expansion into second-tier cities and Central and Western China will enhance our advantage of wide geographic coverage in China's workforce solutions market and complement our strategies in established first-tier cities and coastal areas. The chart below sets forth an indicative breakdown of the net proceeds to be used to expand our operations by city:  	9%	In the next 12 to 24 months	We believe people are key to our success. As of December 31, 2018, we had 1,375 employees (excluding associates) in more than 20 offices. During the Track Record Period, the number of our partners increased from over 90 as of December 31, 2016 to over 160 as of December 31, 2017, and further to over 210 as of December 31, 2018, and the number of our consultants increased from over 580 as of December 31, 2016 to over 610 as of December 31, 2017, and further to over 730 as of December 31, 2018. During the Track Record Period, our total revenue increased steadily, which was in line with and largely due to the increase in the number of our employees. As such, we plan to continue to attract suitable talent to support our expansion. We will use the proceeds of the Global Offering to support our organic growth by hiring partners and consultants including from competing firms and other companies. We plan to hire approximately 400 to 500 partners and consultants to support our expansion with an average annual expense of approximately RMB240,000 (including annual salary, social insurance and housing provident contributions, bonus, other employee benefits and other general and administrative expenses). The table below sets forth the respective number and average annual expenses of partners and consultants to be hired by using the allocated net proceeds for both cities in which we have operations and new cities we plan to expand into:

Notes:
(1) Beijing and Shanghai are cities where we already have operations.
(2) Chongqing, Wuhan and Hangzhou are new cities where we plan to establish presence.

Categories	Percentage of Total Proceeds	Amount of Proceeds (HK$ in millions)	Specific Plans	Percentage of Total Proceeds	Timeframe	Details	
						Headcount	**Average total annual expenses**
						(RMB in thousands, except headcounts)	
			Existing cities:				
			Partners			50	363
			Consultants			200	228
			Subtotal			**250**	
			New Citites				
			Partners			30	363
			Consultants			120	186
			Subtotal			**150**	
			Total			**400**	

Note (1): The headcount numbers refer to the expected net increases after listing.

Categories	Percentage of Total Proceeds	Amount of Proceeds *(HK$ in millions)*	Specific Plans	Percentage of Total Proceeds	Timeframe	Details
Research and development	30%	152.3	Strengthen our technological capabilities and invest in a digital workforce platform, composed of:			While we may develop part of the digital workforce platform on our own, we plan to invest in companies that have established, or that have the technical capability of establishing, platforms that are suitable for our purposes described under (i) and (ii). The expected capital expenditure on the investment in such target companies is a combined 22% of the total proceeds, including 11% for the flexible staffing platform and 11% for the employee value-added services platform, or RMB167.6 million. Strategically, the three platforms are equally important to us, as we believe all three platforms can increase our future revenue and bring synergies to our existing businesses. For more information about the benefits of the platforms, see "Specific Plans" on the left. We apportioned less proceeds to the online training platform because we have made some initial investments in such platform. We plan to use our cash generated from operations as the source of funding for any shortfall not fully covered by the allocated net proceeds. As of the Latest Practicable Date, we had not identified any suitable target. The table below sets forth how we expect the allocated proceeds to be applied by the companies we invest in under (i):
			(i) to further develop our flexible staffing system and grant access to designated clients, so that clients can be actively involved in the selecting and recruiting process and interact with the candidates easily. We will also explore establishing a more open platform for individuals who wish to engage in flexible work and to find part-time employment or internship opportunities in the "gig economy". We believe we will benefit from the digital workforce platform in the following aspects: (a) we will enjoy increased flexible staffing business opportunities through client base expansion. Typically, it is not cost-efficient for us to work with smaller enterprises who would like a small number of associates. The digital workforce platform integrates online and offline resources, i.e. candidates and clients. Through the digital workforce platform, smaller enterprises may advertise their availability and connect with suitable associates. Through such advertisements on the digital workforce platform, the size of flexible staffing database increases, which in turn increases the likelihood of successful placements; and (b) we will increase the size of our flexible staffing talent database by targeting companies that have established online platforms with an annual increment of at least 250,000 registered users, 50,000 monthly active users and required licenses. According to CIC, top-tier flexible staffing digital platforms in the PRC generally have an annual increment of at least 500,000 registered users and monthly active users of at least 100,000, and the quantitative targets set by us are reasonable and practicable. This way, we believe we can further expand the scale, increase the revenue and improve the operational efficiency of our flexible staffing service;	11%	In the next 12 to 18 months	

Flexible Staffing Platform

Category	Percentage allocated	Basis/specific plans/major costs
Data analytical capabilities with AI & big data for candidate matching	40%	Cost for new IT engineers with relevant technical capability and experience focusing on big data analysis and algorithm and software purchase cost
Associate channel development	30%	Cost for new operation staff focusing on associate solicitation and expenses for platform promotion
Infrastructure investment	20%	Server purchase cost, "cloud" development or purchase cost
Data privacy and security	10%	Hardware purchase cost, system establishment cost and expenses for third-party consultancy service

Categories	Percentage of Total Proceeds	Amount of Proceeds *(HK$ in millions)*	Specific Plans	Percentage of Total Proceeds	Timeframe	Details
			(ii) to provide value-added services offered by third-party vendors on the digital workforce platform, leveraging our reputation and client relationship, we aim to make our platform a go-to place for employers who wish to procure workforce-related services and products such as holiday benefits, insurance, medical examinations and teambuilding programs. We plan to provide such services and products to both clients' employees and associates placed by us. By providing these value-added services, we aim to (a) solidify the bond between our clients and their employees and improve their employee retention rates, and (b) improve the satisfaction and retention rates of associates placed by us, thus reducing our recruiting costs, improving our operational efficiency and increasing our profit margins for flexible staffing business; and	11%	In the next 12 to 24 months	The table below sets forth how we expect the allocated proceeds to be applied by the companies we invest in under (ii): **Employee Value-added Services Platform** **Category** / **Percentage allocated** / **Basis/specific plans/major costs** Third-party vendor development and integration — 30% — Cost for new IT engineers focusing on integration of our system with suppliers' and data management and operation team focusing on vendor selection, procurement and business negotiation, cost for system purchase and integration Workflow management — 30% — Software purchase and maintenance, cost for new execution staff focusing on the seamless coordination with clients, cost for new technology and process management staff focusing on the service consistency with clients, employees and suppliers, and expenses for third-party consultancy service Infrastructure investment — 20% — Server purchase cost, "cloud" development or purchase cost Data privacy and security — 20% — Hardware purchase cost, system establishment cost and expenses for third-party consultancy service We plan to procure the target companies to enhance our data analytical capabilities by (a) increasing the volume of data collected and the size of database, (b) achieving multi-dimensional classifications of data collected, (c) improving the accuracy of matching between candidates and positions, and (d) making targeted recommendations to clients based on their past behaviors. With respect to the training platform described under (iii), we intend to develop it on our own. To achieve that, we will attract and retain suitable engineers by providing competitive compensation packages and career development opportunities.

Categories	Percentage of Total Proceeds	Amount of Proceeds (HK$ in millions)	Specific Plans	Percentage of Total Proceeds	Timeframe	Details
						We do not expect any changes to our business model or revenue stream upon establishing the digital workforce platform. As currently contemplated, we expect that we will be required to possess human resources service licenses to run the digital workforce platform, which we have already obtained and will renew from time to time. In case any license, such as the ICP license, is required in relation to our digital workforce platform, we plan to continue to cooperate with third parties that hold a license. See "Business—Licenses and Permits" for a discussion of such arrangements. Our Directors believe that there are sufficient license holders on the market with whom we may seek cooperation on commercially reasonable terms.
			(iii) to develop our training platform by offering more upskill training to our employees, associates and clients' employees through development of more training courses and programs on various subjects, such as big data, robotic, languages, sales, management as well as finance and accounting. We believe the training platform will not only increase our revenue from training services, but will also provide well-trained talent to support our growing flexible staffing business.	8%	In the next 12 to 24 months	

Categories	Percentage of Total Proceeds	Amount of Proceeds	Specific Plans	Percentage of Total Proceeds	Timeframe	Details
		(HK$ in millions)				
Future investments, strategic mergers and acquisitions	25%	126.9	Pursue strategic acquisition and investment opportunities that are in line with our business strategies:			We plan to acquire or invest in a small number of targets. The exact number of targets to be acquired or invested in depends on various factors such as the sizes of targets and market conditions. Our key criteria in evaluating potential targets include, among others, that they should have maintained annual net profits of at least RMB10 million for the most recent financial year. We will place more focus on targets that service, in addition to traditional industries, new economies, such as technology, Internet and new retail. Our intention to apply 25%, or HK$190.4 million, towards the pursuit of strategic acquisition and investment opportunities is in line with our business strategies during the Track Record Period. We believe that strategic acquisition and investment would allow us to (i) diversify our service offering, (ii) expand our geographic presence and market share, as well as (iii) realize economies of scale. To achieve these goals, we acquired Event Elite in 2017 and made active business development efforts to secure service contracts throughout the Greater China region during the Track Record Period. As we believe acquiring Event Elite enhanced our geographic presence in Hong Kong and complemented our service offering, going forward we would like to continue pursuing strategic acquisition and investment opportunities to the same effect, in addition to the other goals outlined above. As of the Latest Practicable Date, our Directors had not identified any suitable targets that fitted our criteria and would assist us in fulfilling our business strategies. In the event that we do identify suitable targets, and the net proceeds raised from the Global Offering are less than our actual capital expenditure amount, we intend to fund the remaining amount with our cash on hand and cash generated from operations.
			(i) to acquire or invest in quality targets that provide services within our current service offerings, in particular flexible staffing, either (a) in the cities in which we have operations, such as first-tier cities, or (b) in cities where we currently do not have a presence, such as certain second-tier cities and cities in Central and Western China; and	12.5%	In the next 12 to 24 months	
			(ii) to acquire targets that provide services complementary to our own services, specifically, (a) targets that provide services which we currently do not offer and have demonstrated a strong market demand and potential, or (b) targets that provide services which we also offer, but with stronger technology capabilities, stronger local knowledge, more extensive experience, or expertise in specific specializations from which we could benefit to enhance our market share and profitability in a relatively short period of time.	12.5%	In the next 12 to 24 months	

Categories	Percentage of Total Proceeds	Amount of Proceeds (HK$ in millions)	Specific Plans	Percentage of Total Proceeds	Timeframe	Details
Brand building and digital marketing	5%	25.4	Increase brand awareness:	5%		We plan to continue investing to increase brand awareness through increasing promotion and offline marketing activities. We will primarily cooperate with reputable marketing service providers on our brand building activities.
			(i) to invest in offline brand building; and	1.5%	In the next 12 to 24 months	
			(i) to invest in digital marketing through increasing promotion and online marketing.	3.5%	In the next 12 to 24 months	We plan to continue to enhance the awareness of the brands we use by promoting such brands among the next generation workforce through online marketing. We plan to cooperate with major online social networks and platforms to increase brand awareness. We also plan to organize online events and promotions during major holidays, such as the Singles' Day.
Working capital	10%	50.8	Working capital and other general corporate purposes	10%	–	–

The above allocation of the proceeds will be adjusted on a *pro rata* basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range or that the Over-allotment Option is exercised.

If the Offer Price is fixed at HK$12.6 per Offer Share (being the high end of the Offer Price range stated in this prospectus) and assuming the Over-allotment Option is not exercised, we will receive the net proceeds of approximately HK$573.5 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering.

If the Offer Price is fixed at HK$9.9 per Offer Share (being the low end of the Offer Price range stated in this prospectus) and assuming the Over-allotment Option is not exercised, the net proceeds we will receive will be approximately HK$441.9 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering.

In the event that the Over-allotment Option is exercised in full, we will receive net proceeds ranging from approximately HK$665.4 million (assuming an Offer Price of HK$12.6 per Share, being the high end of the Offer Price range) to HK$514.3 million (assuming an Offer Price of HK$9.9 per Share, being the low end of the Offer Price range), after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering.

HONG KONG UNDERWRITERS

The Hong Kong Underwriters are:

Huatai Financial Holdings (Hong Kong) Limited

CLSA Limited

Orient Securities (Hong Kong) Limited

ABCI Securities Company Limited

First Shanghai Securities Limited

INTERNATIONAL UNDERWRITERS

The International Underwriters are expected to be:

Huatai Financial Holdings (Hong Kong) Limited

CLSA Limited

Orient Securities (Hong Kong) Limited

ABCI Securities Company Limited

First Shanghai Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on Wednesday, June 26, 2019. As described in the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription on the terms and subject to the conditions of this prospectus and the Application Forms at the Offer Price. Subject to the Listing Committee granting the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned herein, and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers to subscribe for the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering.

The Hong Kong Underwriting Agreement is conditional upon and subject to (among other things) the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms or otherwise, prior to 8:00 a.m. on the Listing Date.

Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers to subscribe for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement will be subject to termination with immediate effect by notice (in writing) from any one of the Joint Global Coordinators if at any time prior to 8:00 a.m. on the Listing Date:

(a) there develops, occurs, exists or comes into effect:

(i) any event, circumstance, or series of events, in or affecting the Cayman Islands, Hong Kong, Macau, Taiwan, the PRC, the United States, the United Kingdom or the European Union (as a whole) (collectively, the "**Relevant Jurisdictions**" and each a "**Relevant Jurisdiction**"), in the nature of force

majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of disease, economic sanction, withdrawal of trading privileges, strike, lock-out, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riot, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism); or

(ii) any change or development involving a prospective change, or any event, circumstance or series of events likely to result in any change or development involving a prospective change, in local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets), in or affecting any Relevant Jurisdiction; or

(iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shenzhen Stock Exchange and the Shanghai Stock Exchange; or

(iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organisation or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign or supranational ("**Authority**")), New York (imposed at Federal or New York State level or other competent Authority), London, Macau, Taiwan, the PRC, the European Union (as a whole) or any other Relevant Jurisdiction, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or

(v) any new law or any change or development involving a prospective change in existing laws or any event or circumstance resulting in a change or development involving a prospective change in the interpretation or application thereof by any court or other competent Authority in or affecting any Relevant Jurisdiction; or

(vi) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(vii) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material change in the system under which the value of the Hong Kong currency is linked to that of the United States dollar, or a material devaluation in the Euro, Hong Kong dollar, or the Renminbi against any foreign currencies), or the implementation of any exchange control, in any Relevant Jurisdiction; or

(viii) any litigation, legal action, claim or legal proceeding of any third party being threatened or instigated against any member of our Group; or

(ix) a Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of our Company; or

(x) our executive Director vacating his office; or

(xi) any material breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than any breach thereof by any of the Joint Global Coordinators, the Joint Bookrunners, the Sole Sponsor, the Hong Kong Underwriters or the International Underwriters, or their respective affiliates and/or delegates); or

(xii) an Authority or a political body or organisation in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director; or

(xiii) save as disclosed in this prospectus, the Application Forms and the preliminary and final offering circulars, a contravention by any member of our Group of the Listing Rules or applicable laws; or

(xiv) a prohibition on our Company for whatever reason from offering, allotting, issuing, selling or delivering the Shares (including the Shares to be issued pursuant to the exercise of the Over-allotment Option) pursuant to the terms of the Global Offering; or

(xv) any materialisation of any of the risks set out in the section headed "Risk Factors" in this prospectus; or

(xvi) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable Law; or

(xvii) the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies

Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

(xviii) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties pursuant to the indemnity provisions of the Hong Kong Underwriting Agreement; or

(xix) an order or petition for the winding up of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group,

which, individually or in the aggregate, in the sole and absolute opinion of such Joint Global Coordinator:

(1) has or will or may have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or

(2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or

(3) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or

(4) has or will have or may have the effect of making any material part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of any one of the Joint Global Coordinators:

(i) that any statement contained in any of this prospectus, the Application Forms and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any material respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of this prospectus, the Application Forms and/or any notices, announcements,

advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions in any material respect; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from any of this prospectus, the Application Forms and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or

(iii) any material adverse change or development involving a prospective material adverse change in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group (as a whole); or

(iv) any breach of, or any event or circumstance rendering untrue, incorrect or misleading in any material respect, any of the warranties given under the Hong Kong Underwriting Agreement (other than any such breach thereof by the Joint Global Coordinators, the Joint Bookrunners, the Sole Sponsor or the Hong Kong Underwriters); or

(v) approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued (including any additional Shares that may be issued pursuant to the exercise of the Over-allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the date of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(vi) our Company withdraws this prospectus (and/or any other offering document issued or used in connection with the Global Offering) or the Global Offering; or

(vii) any expert (other than the Sole Sponsor) named in the section headed "Appendix IV—Statutory and General Information—D. Other Information - 8. Qualification of experts" of this prospectus has withdrawn its consent to being named in any of this prospectus or the Application Forms, or to the issue of any of the this prospectus or the Application Forms.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by us

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that (except pursuant to the Capitalization Issue, the Global Offering, the Over-allotment Option, the grant of options or exercise of options to be granted under the Share Option Scheme) at any time during the period commencing on the date of this prospectus and ending on the expiry of the 6-month period after the Listing Date, we will not, without the prior consent of the Stock Exchange and unless in compliance with the requirements of the Listing Rules, allot or issue or agree to allot or issue any Shares or other securities convertible into equity securities of our Company (including warrants or other convertible securities), whether or not of a class already listed, except in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertakings by our Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to (among others) us and the Stock Exchange that, except pursuant to the Capitalization Issue, the Global Offering, the Over-allotment Option and the Stock Borrowing Agreement and the grant of options or exercise of options to be granted under the Share Option Scheme, it will not and will procure that the relevant registered holders of the Shares controlled by them will not:

(a) in the period commencing on the date of this prospectus and ending on the date which is six months from the Listing Date (the "**First Six-month Period**"), dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favour of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan) in respect of any securities of our Company in respect of which it is shown by this prospectus to be the beneficial owner (the "**Parent Shares**"); or

(b) in the period of a further six months commencing on the date on which the First Six-month Period expires (the "**Second Six-month Period**"), dispose of, or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan) in respect of the Parent Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, such Controlling Shareholder would cease to be our controlling shareholder (as defined in the Listing Rules).

Further, pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to (among others) us and the Stock Exchange that, during the First Six-month Period and the Second Six-month Period, it will:

(a) when either of them pledges or charges any Shares or securities of our Company beneficially owned by them in favour of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, immediately inform us in writing of such pledge or charge together with the number of securities so pledged or charged; and

(b) when either of them receives indications, either verbal or written, from the pledgee or charged that any of our pledged or charged Shares or securities of our Company will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of any of the above matters, if any, by any of our Controlling Shareholders and disclose such matters by way of an announcement in accordance with the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Hong Kong Underwriters that, and MAN and CM Phoenix Tree have agreed to procure that, except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option), the Capitalization Issue and any Shares which may be issued upon exercise of any options which may be granted under the Share Option Scheme, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Half-Year Period**"), our Company will not, without the prior written consent of the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) (and such consent shall not be unreasonably withheld) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create any mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, right of pre-emption or other third

party claim, right, interest or preference or any other encumbrance of any kind ("**Encumbrance**") over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any other securities of our Company, as applicable); or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any other securities of our Company, as applicable); or

(c) enter into any transaction with the same economic effect as any transaction specified in paragraph (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in paragraph (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraph (a), (b) or (c) above is to be settled by delivery of Shares or such other securities of our Company, as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period).

Further, in the event that, during the period of six months commencing on the date on which the First Half-year Period expires (the "**Second Half-Year Period**"), our Company enters into any of the transactions specified in paragraph (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

Undertakings by MAN and CM Phoenix Tree

Pursuant to the Hong Kong Underwriting Agreement, each of MAN and CM Phoenix Tree has undertaken to each of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Hong Kong Underwriters that, without the prior written consent of the Sole Sponsor and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, save for the lending of Shares pursuant to the Stock Borrowing Agreement:

(a) at any time during the First Half-Year Period, it will not:

(i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or

indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, or any such other securities or any interest in any of the foregoing, as applicable) beneficially owned by it as of the Listing Date (the "**Relevant Shares**") or any interest in any company or entity holding, directly or indirectly, any of the Relevant Shares (the "**Holding Entity**"); or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Shares or an interest in any Holding Entity; or

(iii) enter into any transaction with the same economic effect as any transaction specified in paragraph (i) or (ii) above; or

(iv) offer to or agree to or announce any intention to effect any transaction specified in paragraph (i), (ii) or (iii) above;

in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company, as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the First Half-Year Period);

(b) at any time during the Second Half-Year Period, it will not enter into any of the transactions specified in paragraph (a) (i), (ii) or (iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance pursuant to such transaction, it will cease to be a Controlling Shareholder of our Company; and

(c) until the expiry of the Second Half-Year period, in the event that it enters into any of the transactions specified in paragraph (a) (i), (ii) or (iii) above or offer to or agrees to or announce any intention to effect any such transaction, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

Indemnity

We have agreed to indemnify the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Hong Kong Underwriters for certain losses which they may suffer, including (among others) losses incurred arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

The International Offering

In connection with the International Offering, it is expected that our Company, our executive Director, MAN and CM Phoenix Tree will enter into the International Underwriting Agreement with the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Offer Shares or procure purchasers to purchase such International Offer Shares.

We will grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters), to require us to issue up to an aggregate of 7,500,000 new Shares, representing 15% of the number of Shares initially being offered under the Global Offering, at the Offer Price to solely cover over-allocations in the International Offering, if any.

Under the International Underwriting Agreement, our Company will agree to indemnify the International Underwriters against certain losses which they may suffer including losses as a result of certain claims or liabilities which might be incurred by the International Underwriters.

Underwriting commission and expenses

Under the terms and conditions of the Hong Kong Underwriting Agreement, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) will receive an underwriting commission equal to 2.50% of the aggregate Offer Price payable in respect of all of the Hong Kong Offer Shares (excluding any International Offer Shares reallocated to the Hong Kong Public Offering and any Hong Kong Offer Shares reallocated to the International Offering). For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters (but not the Hong Kong Underwriters). In addition, our Company may also in its sole and absolute discretion pay to the Hong Kong Underwriters or any one of them an incentive fee.

Assuming the Over-allotment Option is not exercised at all and based on an Offer Price of HK$11.25 per Share (being the mid-point of the indicative Offer Price range), the total listing expenses (based on the mid point of the Offer Price range stated in this prospectus) are estimated to be HK$64.3 million.

Hong Kong Underwriters' interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement or as otherwise disclosed in this prospectus, none of the Underwriters is interested legally or beneficially in any shares of any of our members or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any of our members in the Global Offering.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

Independence of the Sole Sponsor

Huatai Financial Holdings (Hong Kong) Limited satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering" in this prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares). Whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

RESTRICTIONS ON THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

In particular, the Offer Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the PRC.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering which forms part of the Global Offering. Huatai Financial Holdings (Hong Kong) Limited is the Sole Sponsor for the listing of the Shares on the Stock Exchange. Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited and Orient Securities (Hong Kong) Limited are the Joint Global Coordinators of the Global Offering. Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited, Orient Securities (Hong Kong) Limited and ABCI Capital Limited are the Joint Bookrunners of the Global Offering. Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited, Orient Securities (Hong Kong) Limited, ABCI Securities Company Limited and First Shanghai Securities Limited are the Joint Lead Managers of the Global Offering.

The Global Offering initially consists of:

(i) the Hong Kong Public Offering of 5,000,000 Offer Shares (subject to adjustment as mentioned below) in Hong Kong as described in "Hong Kong Public Offering" in this section below; and

(ii) the International Offering of 45,000,000 Offer Shares (subject to adjustment and the Over-allotment Option as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the sub-section headed " International Offering" in this section below.

Investors may apply for Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the Offer Shares under the International Offering, but may not do both. Reasonable steps will be taken to identify and reject applications in the Hong Kong Public Offering from investors who have received Offer Shares in the International Offering, and to identify and reject indications of interest in the International Offering from investors who have applied for Hong Kong Offer Shares in the Hong Kong Public Offering. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Offering will involve selective marketing of Offer Shares to professional, institutional and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The International Underwriters are soliciting from prospective investors' indications of interest in acquiring the Offer Shares in the International Offering. Prospective professional, institutional and other investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up and to cease on or around, the last day of lodging applications under the Hong Kong Public Offering.

The number of Offer Shares to be offered under the Hong Kong Public Offering and International Offering respectively may be subject to adjustment and, in the case of the International Offering only, the Over-allotment Option as set out in the paragraph headed "Over-allotment Option and Stabilization" in this section.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date. Details of the underwriting arrangements are summarised in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares pursuant to the Global Offering will be conditional on, among others:

(i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue, the Offer Shares to be issued pursuant to the Global Offering and the Capitalization Issue and any Shares which may be issued pursuant to the exercise of the Over-allotment Option, any options which may be granted under the Share Option Scheme and such listing and permission not subsequently having been revoked prior to the commencement of dealing in our Shares on the Stock Exchange;

(ii) the Offer Price having been fixed on or around the Price Determination Date;

(iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

(iv) the obligations of the Underwriters under each of the Hong Kong Underwriting Agreement and the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the respective agreements

in each case on or before the dates and times specified in the Underwriting Agreements (unless to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

The Offer Shares are being offered at the Offer Price which is expected to be fixed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date, which is expected to be on or around Wednesday, July 3, 2019 and in any event, not later than 12:00 noon on Monday, July 8, 2019.

If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on Monday, July 8, 2019, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will cause a notice of the lapse of the Hong Kong Public Offering to be published on our website (**www.manpowergroupgrc.com**) and the Stock Exchange's website (**www.hkexnews.hk**) on the next business day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares." In the meantime, all application monies will be held in separate bank account(s) with the receiving bank(s) or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended from time to time).

Share certificates for the Hong Kong Offer Shares are expected to be issued on Tuesday, July 9, 2019 but will only become valid certificates of title at 8:00 a.m. on Wednesday, July 10, 2019 provided that (i) the Global Offering has become unconditional in all respects; and (ii) the right of termination as described in "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Hong Kong Underwriting Agreement— Grounds for termination" has not been exercised. Investors who trade Shares prior to the receipt of share certificates or prior to the share certificates bearing valid certificates of title do so entirely at their own risk.

HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 5,000,000 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing 10% of the total number of Offer Shares initially available under the Global Offering (assuming that the Over-allotment Option or any options which may be granted under the Share Option Scheme are not exercised). Subject to the reallocation of Shares between the International Offering and the Hong Kong Public Offering as mentioned below, the number of the Hong Kong Offer Shares will represent 2.5% of our Company's issued share capital immediately after completion of the Global Offering and the Capitalization Issue.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "—Conditions of the Global Offering" in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total available Shares under the Hong Kong Public Offering (after taking into account of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering) is to be divided into two pools (subject to adjustment of odd lot size) for allocation purposes: pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% payable). Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools and can only apply for Hong Kong Offer Shares in either pool A or pool B.

Multiple or suspected multiple applications within either pool or between pools and any application for more than 2,500,000 Hong Kong Offer Shares are liable to be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules and the Stock Exchange's Guidance Letter HKEx-GL91-18 requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached as further described below:

(a) In the event that the International Offer Shares are fully subscribed or oversubscribed under the International Offering:

    (i) if the Hong Kong Offer Shares are undersubscribed, the Joint Global Coordinators, at their sole and absolute discretion, may reallocate all or any of the unsubscribed Hong Kong Offer Shares from the Hong Kong Public Offering to the International Offering;

    (ii) if the Hong Kong Offer Shares are fully subscribed or oversubscribed and the number of Shares validly applied for under the Hong Kong Public Offering represents less than 15 times the initial number of the Hong Kong Offer Shares, then up to 5,000,000 Shares may be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of Shares available for subscription under the Hong Kong Public Offering will be increased to 10,000,000 Shares, representing 20% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);

(iii) if the number of Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the initial number of the Hong Kong Offer Shares, then up to 10,000,000 Shares may be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of Shares available for subscription under the Hong Kong Public Offering will be increased to 15,000,000 Shares, representing 30% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);

(iv) if the number of Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the initial number of the Hong Kong Offer Shares, then up to 15,000,000 Shares may be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of Shares available for subscription under the Hong Kong Public Offering will be increased to 20,000,000 Shares, representing 40% of total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option); and

(v) if the number of Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the initial number of the Hong Kong Offer Shares, then 20,000,000 Shares may be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of Shares available for subscription under the Hong Kong Public Offering will be increased to 25,000,000 Shares, representing 50% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

(b) In the event that the International Offer Shares are undersubscribed under the International Offering:

(i) if the Hong Kong Offer Shares are undersubscribed, the Global Offering shall not proceed unless fully underwritten by the Underwriters pursuant to the Underwriting Agreements; and

(ii) if the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times the initial number of the Hong Kong Offer Shares, then up to 5,000,000 Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Shares available for subscription under the Hong Kong Public Offering may increase up to 10,000,000 Shares, representing 20% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

In the event of reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering in the circumstances where (x) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are oversubscribed by less than 15 times under paragraph (a)(ii) above or (y) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed under paragraph (b)(ii) above, the final Offer Price shall be fixed at HK$9.90 per Offer Share, being the low-end of the indicative Offer Price range stated in this prospectus.

In the event of a reallocation of Offer Shares from the International Offering to the Hong Kong Public Offering in circumstances under paragraph (a)(ii), (a)(iii), (a)(iv), (a)(v) and (b)(ii) above, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced, in such manner as the Joint Global Coordinators deem appropriate. In addition, the Joint Global Coordinators may, at their sole and absolute discretion, reallocate International Offer Shares as they deem appropriate from the International Offering to the Hong Kong Public Offering to satisfy in whole or in part excess valid application in the Hong Kong Public Offering.

The above clawback mechanism complies with paragraph 4.2 of Practice Note 18 of the Listing Rules and the Stock Exchange's Guidance Letter HKEx-GL91-18.

If the Hong Kong Offer Shares are not fully subscribed for, the Joint Global Coordinators may, at their sole and absolute discretion, reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportion as the Joint Global Coordinators deem appropriate.

Applications

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Shares under the International Offering, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for Shares under Hong Kong Public Offering.

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated (including conditionally and/or provisionally) Offer Shares under the International Offering.

The listing of the Offer Shares on the Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum price of HK$12.60 per Offer Share in addition to any brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% payable on each Offer Share, amounting to a total of HK$3,181.75 per board lot of 250 Offer Shares. If the Offer Price, as finally determined in the manner described in "Structure of the Global Offering—Price Determination of the Global Offering" in this section below, is less than the maximum price of HK$12.60 per Share, appropriate refund payments (including the brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

INTERNATIONAL OFFERING

NUMBER OF OFFER SHARES OFFERED

The number of Offer Shares to be initially offered for subscription under the International Offering will be 45,000,000 Shares, representing 90% of the total number of the Offer Shares initially available under the Global Offering (subject to adjustment and the Over-allotment Option). Subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the International Offer Shares will represent 22.5% of our enlarged issued share capital immediately after completion of the Global Offering and the Capitalization Issue (assuming that the Over-allotment Option or any options which may be granted under the Share Option Scheme are not exercised).

The International Offering is subject to the same conditions as stated in the paragraph headed "—Conditions of the Global Offering" in this section.

Allocation

The International Offering will include selective marketing of Offer Shares to professional, institutional and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the book-building process described in the paragraph headed "Price Determination of the Global Offering" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the Listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Shares under the International Offering, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for Shares under the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION AND STABILIZATION

In connection with the Global Offering and pursuant to the International Underwriting Agreement, our Company is expected to grant an Over-allotment Option to the Joint Global Coordinators (for themselves and on behalf of the International Underwriters) exercisable at the sole discretion of the Joint Global Coordinators (for themselves and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the Joint Global Coordinators have the right, exercisable at any time from the date of the International Underwriting Agreement until 30 days from the date of the last day of lodging application under the Hong Kong Public Offering, to require our Company to allot and issue up to 7,500,000 new Shares, representing 15% of the number of the Offer Shares initially available under the Global Offering, at the same price per Share under the International Offering to cover over-allocation in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent 3.6% of our enlarged share capital immediately following the completion of the Global Offering, the Capitalization Issue and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made in accordance with the Listing Rules.

Stock Borrowing Arrangement

In order to facilitate the settlement of over-allocations in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may choose to borrow Shares from Shareholders of our Company under stock borrowing arrangements, or acquire Shares from other sources, including the exercise of the Over-allotment Option.

The Stabilizing Manager will enter into the Stock Borrowing Agreement with CM Phoenix Tree, one of our Controlling Shareholders, whereby the Stabilizing Manager may borrow Shares from CM Phoenix Tree on the following conditions:

(a) the stock borrowing will only be effected by the Stabilizing Manager for the settlement of over-allocations in connection with the International Offering;

(b) the maximum number of Shares borrowed from CM Phoenix Tree will be limited to 7,500,000 Shares, being the maximum number of Shares which may be allotted and issued by our Company upon full exercise of the Over-allotment Option;

(c) the same number of Shares borrowed from CM Phoenix Tree must be returned to it or its nominees (as the case may be) no later than the third business day following the earlier of: (i) the last day on which the Over-allotment Option may be exercised; (ii) the date on which the Over-allotment Option is exercised in full and the Shares to be allotted and issued upon exercise of the Over-allotment Option have been allotted and issued; or (iii) such earlier time as may be agreed in writing between CM Phoenix Tree and the Stabilizing Manager;

(d) the stock borrowing arrangement will be effected in compliance with all applicable listing rules, laws and other regulatory requirements; and

(e) no payments will be made to CM Phoenix Tree by the Stabilizing Manager in relation to such stock borrowing arrangement.

The Stock Borrowing Agreement will be effected in compliance with all applicable laws, rules and regulatory requirements. The Stock Borrowing Arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that it complies with the requirements set forth in Rule 10.07(3) of the Listing Rules. No payment will be made to CM Phoenix Tree by the Stabilizing Manager or its agent in relation to such stock.

Stabilization Action

Under the Securities and Futures (Price Stabilizing) Rules under the SFO, stabilization actions can be permitted only if the size of the Global Offering is equal to or more than HK$100 million as described above. Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the new securities in the secondary market during a specified period of time to retard and, if possible, prevent any decline in the market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permitted to do so, in each case in compliance with all applicable laws, rules and regulations, including those of Hong Kong. In Hong Kong, activity aimed at reducing the market price is prohibited and the price at which Stabilization is effected is not permitted to exceed the offer price.

Huatai Financial Holdings (Hong Kong) Limited has been appointed by us as the Stabilizing Manager for the purposes of the Global Offering in accordance with the Securities and Futures (Price Stabilizing) Rules made under the SFO. In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may, to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect any other transactions with a view of stabilizing or maintaining the market price of our Shares at a level higher than that which might otherwise prevail in the open market for a limited period beginning on the Listing Date and expected to end on the 30th day after the last day for lodging of applications under the Hong Kong Public Offering. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules, as amended, made under the SFO. Any market purchases of the Shares may be effected on any stock exchange, including the Stock Exchange, any over-the-counter market or otherwise, provided that they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager, its affiliates or any person acting for it to conduct any such stabilizing action, which if commenced, will be conducted at the sole and absolute discretion of the Stabilizing Manager, its affiliates or any person acting for it and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end on the 30th day after the last day for the lodging of

applications under the Hong Kong Public Offering. The number of Shares that may be over-allocated will not exceed the number of Shares that may be allotted and issued by our Company under the Over-allotment Option, namely, 7,500,000 Shares in aggregate, which is 15% of the Shares initially available under the Global Offering.

Stabilization action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong. Stabilizing action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules under the SFO includes (i) over-allocation for the purpose of preventing or minimising any reduction in the market price of our Shares; (ii) selling or agreeing to sell our Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of our Shares; (iii) subscribing, or agreeing to subscribe, for our Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above; (iv) purchasing, or agreeing to purchase, any of our Shares for the sole purpose of preventing or minimising any reduction in the market price of our Shares; (v) selling, or agreeing to sell, our Shares in order to liquidate any position established as a result of those purchases; and (vi) offering or attempting to do anything described in (ii), (iii), (iv) or (v) above.

The Stabilizing Manager, its affiliates or any person acting for it, may take all or any of the above stabilizing action in Hong Kong during the Stabilization period.

Specifically, prospective applicants for and investors in the Shares should note that:

- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager or any person acting for it will maintain such a long position;

- the Stabilizing Manager, its affiliates or any person acting for it, may, in connection with the stabilizing action, maintain a long position in the Shares, and there is no certainty regarding the extent to which and the time period for which the Stabilizing Manager, its affiliates or any person acting for it, will maintain such a position. Investors should be warned of the possible impact of any liquidation of such long position by the Stabilizing Manager, its affiliates or any other person acting for it, may have an adverse impact on the market price of the Shares;

- stabilizing action cannot be used to support the price of the Shares for longer than the stabilizing period which will begin on the Listing Date following announcement of the Offer Price, and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;

- the price of the Shares cannot be assured to stay at or above the Offer Price either during or after the stabilizing period by taking of any stabilizing action; and

- stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the Shares.

Our Company will ensure or procure that a public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.

In connection with the Global Offering, the Joint Global Coordinators may over-allocate up to and not more than an aggregate of 7,500,000 additional Shares and cover such over-allocations by exercising the Over-allotment Option, which will be exercisable by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters) at their sole discretion, or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means.

PRICE DETERMINATION OF THE GLOBAL OFFERING

The Offer Price is expected to be fixed on the Price Determination Date, which is expected to be on or around Wednesday, July 3, 2019, and in any event not later than 12:00 noon on Monday, July 8, 2019, by agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company.

The Offer Price will be not more than HK$12.60 per Share and is expected to be not less than HK$9.90 per Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering.

Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares offered in the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be published on our website (**www.manpowergroupgrc.com**) and the Stock Exchange's website (**www.hkexnews.hk**) notices of the reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range. We will, as soon as practicable following the decision to make such reduction, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range, extend the period under which the Hong Kong Public Offering was opened for acceptance to allow potential investors sufficient time to consider their subscriptions or reconsider their submitted subscriptions, and give potential investors who had applied for the Hong Kong Offer Shares the right to withdraw their applications under the Hong Kong Public Offering. Upon issue of such a notice, the number of Offer Shares offered in the Global Offering and/or the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range. Applicants

should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.

Such notice and supplemental prospectus will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of such reduction. In the absence of any such notice and supplemental prospectus so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by our Company with the Joint Global Coordinators (for themselves and on behalf of the Underwriters), will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If you have already submitted an application for the Hong Kong Offer Shares before the last day for lodging applications under the Hong Kong Public Offering, you will not be allowed to subsequently withdraw your application. However, if the number of Offer Shares and/or the Offer Price range is reduced, applicants will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

The final Offer Price, the levels of indication of interest in the Global Offering, the results of applications and the basis of allotment of Offer Shares under the Hong Kong Public Offering, are expected to be announced on Tuesday, July 9, 2019 in the manner set out in the section headed "How to Apply for Hong Kong Offer Shares—11. Publication of Results" in this prospectus.

DEALINGS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, July 10, 2019, it is expected that dealings in the Offer Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, July 10, 2019, and will be traded in board lots of 250.

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S); and
- are not a legal or natural person of the PRC.

If you apply online through the **White Form eIPO** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorized officer, who must state his or her representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Global Coordinators may accept it at their discretion and on any conditions it thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of the **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you:

- are an existing beneficial owner of Shares in our Company and/or any of our subsidiaries;
- are a Director or chief executive officer of our Company and/or any of our subsidiaries;
- are a core connected person of our Company or will become a core connected person of our Company immediately upon completion of the Global Offering;
- are a close associate of any of the above; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

3. APPLYING FOR HONG KONG OFFER SHARES

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through the **White Form eIPO** Service at **www.eipo.com.hk**.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Thursday, June 27, 2019 until 12:00 noon on Wednesday, July 3, 2019 from:

(i) any of the following offices of the **Hong Kong Underwriters**:

Huatai Financial Holdings (Hong Kong) Limited	Room 5808-12, 58/F, The Center 99 Queen's Road Central, Hong Kong

CLSA Limited	18/F, One Pacific Place 88 Queensway Hong Kong
Orient Securities (Hong Kong) Limited	Rooms 1, 1A, 6-8, 27/F Wing On House 71 Des Voeux Rd Central Hong Kong
ABCI Securities Company Limited	10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
First Shanghai Securities Limited	19/F, Wing On House 71 Des Voeux Road Central Hong Kong

(ii) any of the following branches of Standard Chartered Bank (Hong Kong) Limited:

	Branch name	**Address**
Hong Kong Island	Central Branch	G/F, 1/F, 2/F and 27/F, Two Chinachem Central, 26 Des Voeux Road Central
	Wanchai Southorn Branch	Shop C2 on G/F and 1/F to 2/F, Lee Wing Building, No. 156-162 Hennessy Road, Wanchai
Kowloon	Tsim Sha Tsui Branch	Shop G30 & B117-23, G/F, Mira Place One, 132 Nathan Road, Tsim Sha Tsui
	San Po Kong Branch	Shop A, G/F, Perfect Industrial Building, 31 Tai Yau Street, San Po Kong
New Territories	Maritime Square Branch	Shop 308E, Level 3, Maritime Square, Tsing Yi
	Tseung Kwan O Branch	Shop No. E037-E040, G/F, East Wing of TKO Gateway, Hau Tak Estate, Tseung Kwan O

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Thursday, June 27, 2019 until 12:00 noon on Wednesday, July 3, 2019 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "HORSFORD NOMINEES LIMITED — MANPOWERGROUP GREATER CHINA PUBLIC OFFER" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Thursday, June 27, 2019	**–**	**9:00 a.m. to 5:00 p.m.**
Friday, June 28, 2019	**–**	**9:00 a.m. to 5:00 p.m.**
Saturday, June 29, 2019	**–**	**9:00 a.m. to 1:00 p.m.**
Tuesday, July 2, 2019	**–**	**9:00 a.m. to 5:00 p.m.**
Wednesday, July 3, 2019	**–**	**9:00 a.m. to 12:00 noon**

The application lists will be open from 11:45 a.m. to 12:00 noon on Wednesday, July 3, 2019, the last application day or such later time as described in "10. Effect of Bad Weather on the Opening of the Applications Lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **White Form eIPO** service, among other things, you (and if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person for whom you act:

(i) undertake to execute all relevant documents and instruct and authorize our Company and/or the Joint Global Coordinators (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles;

(ii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles;

(iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

(iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;

(vi) agree that none of our Company, the Joint Global Coordinators, the Sole Sponsor, the Underwriters, their respective directors, officers, employees, partners, agents, advisers or any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering nor participated in the International Offering;

(viii) agree to disclose to our Company, our Hong Kong Share Registrar, the receiving bank, the Joint Global Coordinators, the Sole Sponsor, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Joint Global Coordinators, the Sole Sponsor, and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) warrant that the information you have provided is true and accurate;

(xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) authorize our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you fulfil the criteria mentioned in the paragraph headed "personal collection" in this prospectus to collect share certificate(s)/or refund cheque(s);

(xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvii) understand that our Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH THE WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria in "2. Who Can Apply" in this section, may apply through the **White Form eIPO** service for the Hong Kong Offer Shares to be allotted and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through the **White Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated

website, you authorize the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

Time for Submitting Applications under the White Form eIPO

You may submit your application to the **White Form eIPO** Service Provider at **www.eipo.com.hk** (24 hours daily, except on the last application day) from 9:00 a.m. on Thursday, June 27, 2019 until 11:30 a.m. on Wednesday, July 3, 2019 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, July 3, 2019 or such later time under "10. Effects of Bad Weather on the Opening of the Applications Lists" in this section below.

No Multiple Applications

If you apply by means of the **White Form eIPO**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under the **White Form eIPO** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Environmental Protection

The obvious advantage of the **White Form eIPO** is to save the use of papers via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK$2.0 for each "ManpowerGroup Greater China Limited" **White Form eIPO** application submitted via the website **www.eipo.com.hk** to support the funding of "Dongjiang River Source Tree Planting" project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a **CCASS Investor Participant**, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (**https://ip.ccass.com**) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
1/F, One & Two Exchange Square
8 Connaught Place
Central, Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a **CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Global Coordinators and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;

- agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;

- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;

- (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;

- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorized to give those instructions as their agent;

- confirm that you understand that our Company, our Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;

- authorize our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

- agree that none of our Company, the Joint Global Coordinators, the Sole Sponsor, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, the receiving bank, the Joint Global Coordinators, the Underwriters and/or its respective advisers and agents;

- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;

- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Hong Kong Public Offering results;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for giving **electronic application instructions** to apply for Hong Kong Offer Shares;

- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of our Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles; and

- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 200 Hong Kong Offer Shares. Instructions for more than 200 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates[(1)]:

Thursday, June 27, 2019	**–**	**9:00 a.m. to 8:30 p.m.**
Friday, June 28, 2019	**–**	**8:00 a.m. to 8:30 p.m.**
Saturday, June 29, 2019	**–**	**8:00 a.m. to 1:00 p.m.**
Tuesday, July 2, 2019	**–**	**8:00 a.m. to 8:30 p.m.**
Wednesday, July 3, 2019	**–**	**8:00 a.m. to 12:00 noon**

Note:

(1) The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Thursday, June 27, 2019 until 12:00 noon on Wednesday, July 3, 2019 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, July 3, 2019, the last application day or such later time as described in "10. Effect of Bad Weather on the Opening of the Application Lists" in this section below.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving bank, the Joint Global Coordinators, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Joint Bookrunners, the Joint Lead Managers, the Sole Sponsor, the Joint Global Coordinators and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, July 3, 2019.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **White Form eIPO**, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **White Form eIPO** service in respect of a minimum of 250 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 250 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.eipo.com.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed "Structure of the Global Offering—Price Determination of the Global Offering" in this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, July 3, 2019. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Wednesday, July 3, 2019 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in "Expected Timetable", an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Tuesday, July 9, 2019 on our website **(www.manpowergroupgrc.com)** and the Stock Exchange's website (**www.hkexnews.hk**).

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our website (**www.manpowergroupgrc.com**) and the Stock Exchange's website (**www.hkexnews.hk**) by no later than 8:00 a.m. on Tuesday, July 9, 2019;
- from the designated results of allocations website **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Tuesday, July 9, 2019 to 12:00 midnight on Monday, July 15, 2019;
- by telephone enquiry line by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Tuesday, July 9, 2019 to Friday, July 12, 2019;
- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, July 9, 2019 to Thursday, July 11, 2019 at all the receiving bank's designated branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allotted to you:

(i) **If your application is revoked:**

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) **If our Company or our agents exercise their discretion to reject your application:**

Our Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) **If the allotment of Hong Kong Offer Shares is void:**

The allotment of Hong Kong Offer Shares will be void if the Listing Committee does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) **If:**

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Global Coordinators believes that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- you apply for more than 50% Hong Kong Offer Shares.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK$12.60 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with the section headed "Structure of the Global Offering—Conditions of the Global Offering" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on or before Tuesday, July 9, 2019.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and

- refund cheque(s) crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the final Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Tuesday, July 9, 2019. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Wednesday, July 10, 2019 provided that the Global Offering has become unconditional and the right of termination described in "Underwriting" has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) ***If you apply using a WHITE Application Form***

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, July 9, 2019 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorize any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on or before Tuesday, July 9, 2019, by ordinary post and at your own risk.

(ii) ***If your apply using a YELLOW Application Form***

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on or before Tuesday, July 9, 2019, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participants stock account as stated in your Application Form on Tuesday, July 9, 2019, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS Participant (other than a CCASS investor participant)*

For Hong Kong Offer Shares credited to your designated CCASS Participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allotted to you with that CCASS Participant.

- *If you are applying as a CCASS Investor Participant*

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in the paragraph "11. Publication of Results" in this section above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, July 9, 2019 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) ***If you apply through the White Form eIPO Service***

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, July 9, 2019, or such other date as notified by our Company in the newspapers as the date of despatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Tuesday, July 9, 2019 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) ***If you apply via Electronic Application Instructions to HKSCC***

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Tuesday, July 9, 2019, or, on any other date determined by HKSCC or HKSCC Nominees.

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "Publication of Results" above on Tuesday, July 9, 2019. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, July 9, 2019 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Tuesday, July 9, 2019. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, July 9, 2019.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report set out on pages I-1 to I-79, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF MANPOWERGROUP GREATER CHINA LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of ManpowerGroup Greater China Limited (formerly known as ManpowerGroup Greater China (Cayman) Limited) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-79, which comprises the consolidated statements of financial position as at 31 December 2016, 2017 and 2018, the statements of financial position of the Company as at 31 December 2016, 2017 and 2018, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2018 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-79 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 27 June 2019 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at 31 December 2016, 2017 and 2018 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing of the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2019

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board ("IASB") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 December		
		2016	2017	2018
		RMB'000	*RMB'000*	*RMB'000*
Continuing operations				
Revenue	*6*	1,624,101	2,006,922	2,491,494
Cost of services		(1,243,747)	(1,549,508)	(1,926,981)
Gross profit		380,354	457,414	564,513
Selling expenses		(235,845)	(294,082)	(336,264)
Administrative expenses		(55,342)	(55,663)	(67,421)
Other income	*7*	3,534	6,548	3,070
Impairment loss, net of reversal	*22*	(4,272)	3,194	(227)
Other gains and losses	*8*	735	870	2,558
Finance costs	*9*	–	(90)	–
Share of loss of associates		–	–	(1,702)
Listing expenses		–	–	(18,195)
Profit before tax		89,164	118,191	146,332
Income tax expense	*10*	(19,508)	(28,650)	(38,067)
Profit for the year from continuing operations		69,656	89,541	108,265
Discontinued operation				
Profit for the year from discontinued operation	*11*	7,186	5,021	5,030
Profit for the year	*12*	76,842	94,562	113,295
Other comprehensive (expense) income				
Item that will not be reclassified to profit or loss:				
Actuarial losses from remeasurement of defined benefit obligations, net of tax		(97)	(26)	(39)
Item that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations		29,328	(26,127)	28,921
Other comprehensive income (expense) for the year, net of income tax		29,231	(26,153)	28,882
Total comprehensive income for the year		106,073	68,409	142,177

	NOTE	Year ended 31 December 2016	2017	2018
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to owners of the Company				
– from continuing operations		61,070	81,376	95,040
– from discontinued operation		4,312	3,013	3,116
Profit for the year attributable to owners of the Company		65,382	84,389	98,156
Profit for the year attributable to non-controlling interests				
– from continuing operations		8,586	8,165	13,225
– from discontinued operation		2,874	2,008	1,914
Profit for the year attributable to non-controlling interests		11,460	10,173	15,139
		76,842	94,562	113,295
Total comprehensive income for the year attributable to:				
Owners of the Company		92,863	57,920	124,804
Non-controlling interests		13,210	10,489	17,373
		106,073	68,409	142,177
Earnings per share	*16*			
From continuing and discontinued operations				
Basic *(RMB)*		0.44	0.56	0.65
From continuing operations				
Basic *(RMB)*		0.41	0.54	0.63

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	At 31 December		
		2016	2017	2018
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property and equipment	*17*	8,767	10,388	13,833
Goodwill	*18*	33,048	65,910	69,310
Other intangible assets	*19*	–	42,105	41,669
Interests in associates	*20A*	–	–	6,198
Available-for-sale investments	*20B*	–	500	–
Equity instruments at fair value through other comprehensive income	*20B*	–	–	9,705
Deferred tax assets	*21*	5,421	3,399	3,521
Other receivable	*11*	–	–	12,448
Deposits		8,176	11,261	14,710
Restricted bank deposits	*24*	13,739	12,998	9,299
Retirement benefit assets	*28*	433	419	388
		69,584	146,980	181,081
CURRENT ASSETS				
Trade and other receivables, deposits and prepayments	*22*	339,235	383,514	451,409
Amounts due from non-controlling shareholders of subsidiaries ("NCI shareholders")	*23*	–	1,305	–
Amount due from ultimate holding company	*23*	2,362	1,231	4,159
Amounts due from fellow subsidiaries	*23*	2,341	–	–
Financial assets at fair value through profit or loss	*24*	–	–	87,279
Structured deposits	*24*	15,000	82,717	–
Restricted bank deposits	*24*	–	–	32,410
Time deposits with original maturity over three months	*24*	236,308	224,621	147,184
Bank balances and cash	*24*	267,694	286,774	229,839
		862,940	980,162	952,280
CURRENT LIABILITIES				
Trade and other payables	*25A*	243,100	319,336	343,748
Contract liabilities	*25B*	6,814	10,500	12,821
Amount due to ultimate holding company	*23*	8,113	9,872	20,713
Amounts due to fellow subsidiaries	*23*	–	1,783	2,411
Loans from NCI shareholders	*23*	–	5,085	–
Tax payables		8,860	24,082	24,084
		266,887	370,658	403,777
NET CURRENT ASSETS		596,053	609,504	548,503
TOTAL ASSETS LESS CURRENT LIABILITIES		665,637	756,484	729,584

	NOTES	At 31 December 2016	2017	2018
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITY				
Deferred tax liabilities	*21*	–	6,948	6,875
NET ASSETS		665,637	749,536	722,709
CAPITAL AND RESERVES				
Share capital	*27*	125	125	125
Reserves		618,573	676,493	652,813
Equity attributable to owners of the Company		618,698	676,618	652,938
Non-controlling interests		46,939	72,918	69,771
TOTAL EQUITY		665,637	749,536	722,709

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	NOTES	At 31 December		
		2016	**2017**	**2018**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Investments in subsidiaries	*35*	264,960	264,960	264,960
Amount due from a subsidiary	*23*	236,317	221,420	233,890
		501,277	486,380	498,850
CURRENT ASSETS				
Deferred issue costs and prepaid listing expenses	*22*	–	–	4,666
Bank balances and cash	*24*	12	11	966
		12	11	5,632
CURRENT LIABILITIES				
Accruals		125	234	336
Accrued issue costs and listing expenses		–	–	14,408
Amounts due to subsidiaries	*23*	–	–	9,088
Amount due to a fellow subsidiary	*23*	16	15	15
		141	249	23,847
NET CURRENT LIABILITIES		(129)	(238)	(18,215)
NET ASSETS		501,148	486,142	480,635
CAPITAL AND RESERVES				
Share capital	*27*	125	125	125
Reserves	*36*	501,023	486,017	480,510
TOTAL EQUITY		501,148	486,142	480,635

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share capital	Share premium	Translation reserve	Statutory reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (note)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2016	125	489,965	(33,593)	26,218	43,120	525,835	36,049	561,884
Profit for the year	–	–	–	–	65,382	65,382	11,460	76,842
Actuarial losses from remeasurement of defined benefit obligations	–	–	–	–	(59)	(59)	(38)	(97)
Exchange differences arising on translation of foreign operations	–	–	27,540	–	–	27,540	1,788	29,328
Total comprehensive income for the year	–	–	27,540	–	65,323	92,863	13,210	106,073
Dividends paid to NCI shareholders	–	–	–	–	–	–	(2,320)	(2,320)
Transfer to statutory reserve	–	–	–	6,268	(6,268)	–	–	–
At 31 December 2016	125	489,965	(6,053)	32,486	102,175	618,698	46,939	665,637
Profit for the year	–	–	–	–	84,389	84,389	10,173	94,562
Actuarial losses from remeasurement of defined benefit obligations	–	–	–	–	(16)	(16)	(10)	(26)
Exchange differences arising on translation of foreign operations	–	–	(26,453)	–	–	(26,453)	326	(26,127)
Total comprehensive (expense) income for the year	–	–	(26,453)	–	84,373	57,920	10,489	68,409
Dividends paid to NCI shareholders	–	–	–	–	–	–	(2,080)	(2,080)
Non-controlling interests arising from business combinations *(Note 29)*	–	–	–	–	–	–	17,716	17,716
Obligation arising from a forward contract to NCI shareholders *(Note 26)*	–	–	–	–	–	–	(42,507)	(42,507)
Reversal of obligation arising from a forward contract to NCI shareholders upon lapse of the contract *(Note 26)*	–	–	–	–	–	–	42,507	42,507
Acquisition of additional equity interests in an existing subsidiary	–	–	–	–	–	–	(146)	(146)
Transfer to statutory reserve	–	–	–	3,409	(3,409)	–	–	–
At 31 December 2017	125	489,965	(32,506)	35,895	183,139	676,618	72,918	749,536
Profit for the year	–	–	–	–	98,156	98,156	15,139	113,295
Actuarial losses from remeasurement of defined benefit obligations	–	–	–	–	(23)	(23)	(16)	(39)
Exchange differences arising on translation of foreign operations	–	–	26,671	–	–	26,671	2,250	28,921
Total comprehensive income for the year	–	–	26,671	–	98,133	124,804	17,373	142,177
Dividends paid to NCI shareholders	–	–	–	–	–	–	(1,800)	(1,800)
Dividends recognised as distribution *(Note 15)*	–	(6,405)	–	–	(142,079)	(148,484)	–	(148,484)
Disposal of subsidiaries *(Note 11)*	–	–	–	(5,666)	5,666	–	(18,720)	(18,720)
Transfer to statutory reserve	–	–	–	2,071	(2,071)	–	–	–
At 31 December 2018	125	483,560	(5,835)	32,300	142,788	652,938	69,771	722,709

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

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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Profit before tax	98,594	124,872	152,873
Adjustments for:			
Finance costs	–	90	–
Bank interest income	(3,044)	(4,621)	(2,739)
Depreciation of property and equipment	5,383	4,569	3,857
Amortisation of intangible assets	–	887	2,589
Gain on disposal of subsidiaries	–	–	(244)
Loss (gain) on disposal of property and equipment	317	(247)	(137)
Net fair value change in financial assets at fair value through profit or loss/ structured deposits	(123)	(1,595)	(3,524)
Impairment loss, net of reversal	4,272	(3,194)	227
Share of loss of associates	–	–	1,702
Operating cash flows before movements in working capital	105,399	120,761	154,604
Increase in trade and other receivables, deposits and prepayments	(46,387)	(32,050)	(109,584)
(Increase) decrease in amount due from ultimate holding company	(312)	2,338	(194)
(Increase) decrease in amounts due from fellow subsidiaries	(1,254)	1,254	–
Increase in trade and other payables	34,040	60,169	60,130
(Decrease) increase in contract liabilities	(2,632)	3,686	2,321
(Decrease) increase in amount due to ultimate holding company	(50)	2,251	9,118
Increase in amounts due to fellow subsidiaries	–	–	680
Decrease in retirement benefit assets	22	14	31
Cash generated from operations	88,826	158,423	117,106
Income tax paid	(20,581)	(16,743)	(38,562)
NET CASH FROM OPERATING ACTIVITIES	68,245	141,680	78,544
INVESTING ACTIVITIES			
Interest received	3,044	4,621	2,739
Purchases of property and equipment	(5,271)	(6,130)	(8,639)
Proceeds from disposal of property and equipment	91	552	366
Placement of structured deposits	(70,093)	(273,020)	(588,614)
Settlement of structured deposits	55,216	206,898	587,576
Placement of time deposits	(236,308)	(224,621)	(577,128)
Withdrawal of time deposits	–	236,308	654,565
Placement of restricted bank deposits	–	–	(47,241)
Withdrawal of restricted bank deposits	13,393	–	18,530
Advance to NCI shareholders	–	(1,305)	–
Repayment from NCI shareholders	–	–	1,305
Advance to ultimate holding company	(25)	(1,207)	(3,929)
Repayment from ultimate holding company	–	–	1,195
Advance to fellow subsidiaries	(515)	–	–
Repayment from fellow subsidiaries	–	1,087	–
Addition of investments in associates	–	–	(7,900)
Addition of available-for-sale investments	–	(500)	–
Acquisition of a subsidiary	–	(46,926)	–
Net cash outflow arising from disposal of subsidiaries	–	–	(20,983)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(240,468)	(104,243)	11,842

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
FINANCING ACTIVITIES			
Advance from ultimate holding company	–	–	1,328
Advance from fellow subsidiaries	–	1,783	–
Repayment to fellow subsidiaries	–	–	(52)
Loans from NCI shareholders	–	1,360	–
Repayment to NCI shareholders	–	–	(5,085)
Dividends paid to NCI shareholders	(2,320)	(2,080)	(12,109)
Dividends paid	–	–	(148,484)
Payment of deferred issue costs	–	–	(2,304)
Acquisition of additional equity interests in a subsidiary	–	(146)	–
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(2,320)	917	(166,706)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(174,543)	38,354	(76,320)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	419,876	267,694	286,774
Effect of foreign exchange rate changes	22,361	(19,274)	19,385
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	267,694	286,774	229,839

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 26 September 2014. The Company has been held as to approximately 27.69%, 23.31% and 49% by Manpower Holdings, Inc. (a company incorporated in the United States of America ("USA")), Manpower Nominees Inc. (a company incorporated in the USA) and CM Phoenix Tree Limited (a company incorporated in British Virgin Islands ("BVI")). The ultimate holding company of the Company is ManpowerGroup Inc., a company incorporated in the USA, with its American depositary shares listed on the New York Stock Exchange in the USA. The address of the Company's registered office and the principal place of business are set out in the section headed "Corporate Information" of the Prospectus.

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

The Historical Financial Information is presented in RMB, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRSs issued by the IASB.

No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there is no statutory audit requirements.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRSs

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied all new and amendments to IFRSs, and the related interpretations ("IFRIC"), which are effective for the accounting period beginning on 1 January 2018, including IFRS 15 *Revenue from Contracts with Customers*, throughout the Track Record Period, except that the Group adopted IFRS 9 *Financial Instruments* on 1 January 2018 and International Accounting Standards ("IAS") 39 *Financial Instruments: Recognition and Measurement* during the two years ended 31 December 2017. The accounting policies for financial instruments under IFRS 9 and IAS 39 are set out in Note 4.

On 1 January 2018, the Group has applied IFRS 9 and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and (3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between the carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018, if any, are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39.

The table below illustrates the classification and measurement (including impairment) of financial assets subject to ECL under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

	Notes	**Available-for-sale investments**	**Financial assets designated at FVTPL**	**Financial assets at FVTPL required by IAS 39/ IFRS 9**	**Equity instruments at fair value through other comprehensive income ("FVTOCI")**	**Amortised cost (previously classified as loans and receivables)**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Closing balance at 31 December 2017 – IAS 39		500	82,717	–	–	890,188
Effect arising from initial application of IFRS 9:						
Reclassification						
From available-for-sale	*(a)*	(500)	–	–	500	–
From designated at fair value through profit or loss ("FVTPL")	*(b)*	–	(82,717)	82,717	–	–
Opening balance at 1 January 2018		–	–	82,717	500	890,188

Notes:

(a) Available-for-sale investments

From available-for-sale equity investments to FVTOCI

The Group elected to present in other comprehensive income ("OCI") for the fair value changes of all its unquoted equity investments previously classified as available-for-sale of approximately RMB500,000 previously measured at cost less impairment under IAS 39. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of IFRS 9, approximately RMB500,000 was reclassified from available-for-sale investments to equity instruments at FVTOCI, which were related to unquoted equity investments previously measured at cost less impairment under IAS 39. No fair value gains/losses relating to those unlisted equity instruments previously carried at cost less impairment were adjusted to equity instruments at FVTOCI and FVTOCI reserve as at 1 January 2018 as the amount involved is insignificant.

(b) Financial assets at FVTPL and/or designated at FVTPL

At the date of initial application, the Group no longer applied designation as measured at FVTPL for the structured deposits, as these financial assets are required to be measured at FVTPL under IFRS 9. As a result, the fair value of the structured deposits of approximately RMB82,717,000 were reclassified from financial assets designated at FVTPL to financial assets at FVTPL.

(c) Impairment under ECL model

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics.

Loss allowances for other financial assets at amortised cost mainly comprise of time deposits with original maturity over three months, restricted bank deposits, bank balances and amounts due from NCI shareholders and ultimate holding company are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

As at 1 January 2018, there was no additional credit loss allowance being recognised against retained profits as the amount involved is insignificant.

At the date of this report, the Group has not early applied the following new and amendments to IFRSs and an interpretation that have been issued but are not yet effective:

IFRS 16	Leases[1]
IFRS 17	Insurance Contracts[3]
IFRIC 23	Uncertainty over Income Tax Treatments[1]
Amendments to IFRS 3	Definition of a Business[4]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to IAS 1 and IAS 8	Definition of Material[5]
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2015 – 2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1 January 2021.
4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
5 Effective for annual periods beginning on or after 1 January 2020.

IFRS 16 *Leases*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability have been allocated into a principal and an interest portion which have been presented as financing cash flows by the Group.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately RMB88,483,000 as disclosed in Note 30. A preliminary assessment indicates that these arrangements meet the definition of a lease. Upon the application of IFRS 16, the Group has recognised a right-of-use asset and a corresponding liability in respect of all these leases unless they qualified for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of approximately RMB8,776,000 as rights and obligations under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits have been adjusted to amortised cost and such adjustments are considered as additional lease payments.

The application of new requirements resulted in changes in measurement, presentation and disclosure as indicated above. The Group elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC – Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC – Int 4. Therefore, the Group did not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group elected the modified retrospective approach for the application of IFRS 16 as lessee and recognised the cumulative effect of initial application to opening retained profits without restating comparative information.

The directors of the Company consider that the adoption of IFRS 16 as compared with the current accounting policy would result in increase in the Group's right-of-use assets and related lease liabilities. The combination of straight-line depreciation of the right-of-use assets and the effective interest rate method applied to the lease liabilities will result in a higher total charge to profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term, but there is no impact on the total expenses recognised over the lease term. The directors of the Company consider that the application of IFRS 16 will not have a material impact on the financial performance of the Group.

Except as described above, the directors of the Company anticipate that the application of the other new and amendments to IFRSs and the interpretation will have no material impact on the Group's financial performance and positions and/or on the disclosures to the Group's consolidated financial statements in the foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRSs issued by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the Track Record Period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9/IAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in subsidiaries

Investments in subsidiaries are included in the statements of financial position at cost less any identified impairment losses.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9/IAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's Historical Financial Information only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

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

Retirement benefit costs and termination benefits

Payments to government sponsored defined contribution pension scheme in the PRC, the Mandatory Provident Fund Scheme in Hong Kong, defined contribution retirement benefit schemes in Taiwan and the Social Security Fund in Macau are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statements of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained profits and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item "cost of services", "selling expenses" or "administrative expenses". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statements of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (for example contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).

- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by IAS 19 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity reduces service cost by attributing contributions to the employees' periods of service in accordance with IAS 19 paragraph 70.

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statements of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss.

Property and equipment

Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets (upon application of IFRS 9 on 1 January 2018 in accordance with transitions in Note 3)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application or initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit- impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the FVTOCI reserve, if any and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss, if any.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets (upon application of IFRS 9 on 1 January 2018 with transitions in accordance with Note 3)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade and other receivables, amounts due from NCI shareholders and ultimate holding company, restricted bank deposits, time deposits with original maturity over three months and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for credit-impaired debtors and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial asset at amortised cost has not increased significantly since initial recognition if the relevant instrument is determined to have low credit risk at the reporting date. A financial asset at amortised cost is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset at amortised cost to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from NCI shareholders, ultimate holding company and fellow subsidiaries are each assessed as a separate group);
- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 January 2018)

The Group's financial assets are classified as financial assets at FVTPL, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is designated as at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets designated as at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from NCI shareholders, ultimate holding company, fellow subsidiaries and a subsidiary, restricted bank deposits, time deposits with original maturity over three months and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets (before application of IFRS 9 on 1 January 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of IFRS 9, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to ultimate holding company, fellow subsidiaries and subsidiaries and loans from NCI shareholders are subsequently measured at amortised cost, using the effective interest method.

Obligation arising from a forward contract on shares of a subsidiary written to NCI shareholders

Forward contract written to NCI shareholders, which will be settled other than by exchange of fixed amount of cash for a fixed number of shares in a subsidiary is treated as derivative and is recognised at fair value upon initial recognition. Any changes of fair value in subsequent reporting dates are recognised in profit or loss.

The gross financial liability arising from the forward contract is recognised when contractual obligation to repurchase the shares in a subsidiary is established. The liability for the share redemption amount is initially recognised and measured at present value of the estimated repurchase price with the corresponding debit to the non-controlling interests. In subsequent periods, the remeasurement of the present value of the estimated gross obligation under the forward contract to the NCI shareholders is recognised in profit or loss. The gross obligation under the forward contract to the NCI shareholders is reversed with the corresponding credit to the non-controlling interests if such contract is lapsed.

Derecognition/substantial modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Group accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Estimated impairment of goodwill and intangible assets with indefinite useful lives

Determining whether goodwill and trademarks with indefinite useful lives are impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill and trademarks have been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash, a material impairment loss/further impairment loss may arise. As at 31 December 2016, 2017 and 2018, the carrying amounts of goodwill were approximately RMB33,048,000, RMB65,910,000 and RMB69,310,000, respectively while the carrying amounts of trademarks were nil, approximately RMB30,158,000 and RMB31,777,000, respectively. Details of the recoverable amount calculation are disclosed in Note 18.

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit-impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Note 22.

6. REVENUE AND SEGMENT INFORMATION

Segment information

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

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

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

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

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

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

2. Other 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.

Segment revenue and results

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

Year ended 31 December 2016

	Workforce Solutions	Other HR Services	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue	1,600,346	23,755	1,624,101
Segment profit	366,724	13,630	380,354
Unallocated:			
Selling expenses			(235,845)
Administrative expenses			(55,342)
Other income			3,534
Impairment loss, net of reversal			(4,272)
Other gains and losses			735
Profit before tax			89,164

Year ended 31 December 2017

	Workforce Solutions	Other HR Services	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue	1,952,443	54,479	2,006,922
Segment profit	431,002	26,412	457,414
Unallocated:			
Selling expenses			(294,082)
Administrative expenses			(55,663)
Other income			6,548
Impairment loss, net of reversal			3,194
Other gains and losses			870
Finance costs			(90)
Profit before tax			118,191

Year ended 31 December 2018

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

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. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers#			Non-current assets*		
	Year ended 31 December			At 31 December		
	2016	2017	2018	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
PRC	714,827	874,862	1,179,587	17,846	20,385	30,060
Hong Kong and Macau	454,458	509,456	622,527	30,821	106,971	111,431
Taiwan	454,816	622,604	689,380	1,757	2,727	4,617
	1,624,101	2,006,922	2,491,494	50,424	130,083	146,108

* *Non-current assets excluded those relating to deferred tax assets and financial instruments.*

\# *Revenue from external customers excluded those relating to discontinued operation.*

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4. Segment profit represents the gross profit earned by each segment without allocation of selling expenses, administrative expenses, other income, impairment loss, net of reversal, other gains or losses, finance costs, share of loss of associates and listing expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

There were no inter-segment sales for each of the reporting period.

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.

Information about major customers

The Group's customer base is diversified. There was no customer with whom transactions have exceeded 10% of the Group's revenue during the years ended 31 December 2016, 2017 and 2018.

Disaggregation of revenue

Year ended 31 December 2016

	Workforce Solutions	Other HR Services	Total
	RMB'000	*RMB'000*	*RMB'000*
Continuing operations			
Types of service			
Flexible staffing	1,379,701	–	1,379,701
Headhunting	199,203	–	199,203
RPO	21,442	–	21,442
Others	–	23,755	23,755
	1,600,346	23,755	1,624,101
Timing of revenue recognition			
A point in time	213,347	–	213,347
Over time	1,386,999	23,755	1,410,754
	1,600,346	23,755	1,624,101

Year ended 31 December 2017

	Workforce Solutions	Other HR Services	Total
	RMB'000	*RMB'000*	*RMB'000*
Continuing operations			
Types of service			
Flexible staffing	1,696,087	–	1,696,087
Headhunting	230,714	–	230,714
RPO	25,642	–	25,642
Others	–	54,479	54,479
	1,952,443	54,479	2,006,922
Timing of revenue recognition			
A point in time	247,456	–	247,456
Over time	1,704,987	54,479	1,759,466
	1,952,443	54,479	2,006,922

Year ended 31 December 2018

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

Flexible staffing services include the augmentation of customers' workforce with the Group's contingent employees performing services under the customers' supervision, which provides the customers with a source of flexible labor. The Group provides flexible staffing services under the brands of "Manpower" and "萬寶盛華" in the Greater China Region. Flexible staffing contracts are generally short-term in nature, and the Group generally enters into contracts that include only a single performance obligation. The revenue of flexible staffing service is based on a fixed amount on a per headcount or hour basis and recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The customers are usually billed at the end of each month, or in advance for certain customers, with an average credit terms of 30 - 90 days.

Headhunting services include providing qualified candidates to the customers to hire on a permanent basis. The Group provides headhunting services under the brands of "Experis" and "萬寶瑞華" in the Greater China Region. The revenue for headhunting services are recognised at a point in time when the Group places the qualified candidate, because the Group has determined that control of the performance obligation has transferred to the customers (i.e., service performed) as it has the right to payment for its service and the customers have accepted its service of providing a qualified candidate to fill a permanent position. Revenue recognised from headhunting services is based upon either a fixed fee per placement or as a percentage of the candidate's salary. The customers are usually billed when the Group places the qualified candidate with an average credit terms of 30 - 90 days.

RPO services include RPO management services and recruitment services. The Group provides RPO services under the brand of "ManpowerGroup Solutions" in the Greater China Region. The RPO management services and recruitment services are distinct and, therefore, separate performance obligations within the RPO contracts as (i) the customers can benefit from each service on its own, and (ii) each service is separately identifiable within the contract. The prices as specified in the contracts will generally be broken out between management fees and recruitment fees, which the directors of the Company consider the standalone selling price of each service as they are the observable inputs which depict the prices as if they were sold to a similar client in similar circumstances. The consideration from contracts is allocated to each performance obligation based on the relative standalone selling price. For recruitment services, revenue is recognised at a point in time when the Group places the qualified candidate, because the Group determined that control of the performance obligation has transferred to the customers (i.e., service performed) as it has the right to payment for its service and the client has accepted its service of providing a qualified candidate to fill a position. RPO management services include the various activities of managing the permanent workforce of the customers, which include candidate assessments, screening, conducting candidate interviews, providing sourcing technology, and providing the marketing and recruiting expertise. The Group performs these activities to fulfill the overall obligation to provide permanent workforce management services, so they are not individually distinct and, therefore, the Group accounts for them as a single performance obligation. The RPO management services are charged on a

monthly basis and revenue of RPO management services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The customers are usually billed at the end of each month with an average credit terms of 30 - 90 days.

Other HR services include HR consultancy services, training and development services, career transition services and payroll as well as compensation & benefits services. The revenue of other HR services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The customers are usually billed on a regular basis with an average credit terms of 30 - 90 days.

All of the Group's revenue are made directly with the customers. The periods of flexible staffing services, headhunting services, RPO services and other HR services are generally within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Information about customer types

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

	Year ended 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Continuing operations			
Multinational corporations and local enterprises	1,560,318	1,930,407	2,407,538
Government bodies	63,783	76,515	83,956
	1,624,101	2,006,922	2,491,494

7. OTHER INCOME

	Year ended 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Continuing operations			
Government grants *(note)*	–	1,150	–
Interest income	3,044	4,621	2,739
Others	490	777	331
	3,534	6,548	3,070

Note: Government grants represented incentive subsidies received in relation to business carried out by the Group in the PRC. There were no specific conditions/assets attached to the grants and, therefore, the Group recognised the grants upon receipts. The subsidies were granted on a discretionary basis to the Group during the year ended 31 December 2017.

8. OTHER GAINS AND LOSSES

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Continuing operations			
Net exchange gains (losses)	612	(725)	(966)
Net fair value change in financial assets at FVTPL/ structured deposits	123	1,595	3,524
	735	870	2,558

9. FINANCE COSTS

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Continuing operations			
Interest on loans from NCI shareholders	–	90	–

10. INCOME TAX EXPENSE

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Continuing operations			
Current tax:			
– PRC Enterprise Income Tax ("EIT")	12,944	16,855	18,546
– Hong Kong Profits Tax	4,156	5,215	7,847
– Macau Complementary Tax	75	167	129
– Taiwan Income Tax	4,266	5,637	6,841
– Taiwan dividend withholding tax	–	–	5,634
	21,441	27,874	38,997
Overprovision in prior years:			
– PRC EIT	–	(11)	–
– Hong Kong Profits Tax	(157)	(587)	(51)
	(157)	(598)	(51)
Deferred tax	(1,776)	1,374	(879)
	19,508	28,650	38,067

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. For the year ended 31 December 2016, a subsidiary in the PRC was qualified as "small-scale enterprise" under the EIT Law and, therefore, entitled to preferential PRC EIT rate of 20%. The Group's subsidiaries that are tax residents in the PRC are subject to the PRC dividend withholding tax of 5% for those non-PRC tax resident immediate holding companies registered in Hong Kong, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the Track Record Period.

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No.7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Under the two-tiered profits tax rates regime which will be applicable to the Group for the year ended 31 December 2018, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from the year ended 31 December 2018, the Hong Kong Profits Tax is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2,000,000 for a qualifying group entity.

Macau Complementary Tax is calculated at 12% of the estimated assessable profit for the Track Record Period.

Taiwan Income Tax is calculated at 17% of the estimated assessable profit for the years ended 31 December 2016 and 2017, and 20% of the estimated assessable profit for the year ended 31 December 2018. Under the relevant regulations in Taiwan, unappropriated earnings of subsidiaries in Taiwan is subject to a corporate surtax of 10%. Such rate of the corporate surtax applicable to the unappropriated earnings of subsidiaries in Taiwan was reduced from 10% to 5% since 2018.

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

The group entities established in BVI are not subject to income tax or capital gain tax under the law of BVI.

The tax charge for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax (from continuing operations)	89,164	118,191	146,332
Tax at PRC EIT rate of 25%	22,291	29,548	36,583
Tax effect of expenses not deductible for tax purpose	350	144	4,704
Tax effect of income not taxable for tax purpose	(24)	(338)	(93)
Tax effect of share of loss of associates	–	–	426
Tax effect of different tax rates of group entities operating in other jurisdictions	(3,650)	(5,420)	(6,267)
Tax effect of tax losses not recognised	–	3,799	–
Utilisation of tax losses previously not recognised	–	–	(3,632)
Income tax on unappropriated earnings for subsidiaries in Taiwan	698	1,515	1,067
Withholding tax	–	–	5,634
Increase in opening deferred tax assets resulting from an increase in applicable tax rate	–	–	(304)
Overprovision in respect of prior years	(157)	(598)	(51)
Income tax expense for the year (relating to continuing operations)	19,508	28,650	38,067

At 31 December 2016, 2017 and 2018, the Group has unused tax losses of approximately RMB5,860,000, RMB18,986,000 and RMB497,000 available for offset against future profits, respectively. A deferred tax asset has been recognised in respect of approximately RMB5,569,000, RMB2,071,000 and nil of such losses. No deferred tax asset has been recognised in respect of the remaining of approximately RMB291,000, RMB16,915,000 and RMB497,000 due to the unpredictability of future profit streams. The tax losses will be expired at various time within a period of five years from the year of origination.

11. DISCONTINUED OPERATION

In December 2018, the Group entered an agreement with a non-controlling shareholder to dispose of the Group's 40.5% equity interest in Reach Human Resource Service (Guangzhou) Co., Ltd. (廣州市銳旗人力資源服務有限公司) ("Guangzhou Reach"), a subsidiary which carried out the Group's operations under the brand of "ReachHR" in the PRC at a consideration of RMB20,250,000. The disposal was completed on 12 December 2018, on which date control of Guangzhou Reach passed to the acquirer. Upon such disposal, the Group holds 19.5% equity interest in Guangzhou Reach and does not have control or significant influence in Guangzhou Reach. The Group accounts such equity investments as financial instruments at FVTOCI at 31 December 2018.

The profit for the year from the discontinued operation is set out below. The comparative figures in the consolidated statements of profit or loss and other comprehensive income have been restated to re-present the operation under "ReachHR" as a discontinued operation.

	Year ended 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Profit of ReachHR operation	7,186	5,021	4,786
Gain on disposal of ReachHR operation	–	–	244
	7,186	5,021	5,030

The results of the ReachHR operation for the years ended 31 December 2016 and 2017 and period from 1 January 2018 to 12 December 2018, which have been included in the consolidated statements of profit or loss and other comprehensive income, were as follows:

	Year ended 31 December		Period ended 12 December
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	593,205	469,519	665,995
Cost of services	(554,582)	(430,124)	(626,793)
Selling expenses	(22,837)	(23,656)	(27,551)
Administrative expenses	(6,233)	(9,173)	(5,163)
Other (expenses) income	(123)	115	(191)
Profit before tax	9,430	6,681	6,297
Income tax expense	(2,244)	(1,660)	(1,511)
Profit for the year/period	7,186	5,021	4,786
Profit for the year/period from discontinued operation includes the following:			
(Gain) loss on disposal of property and equipment	(12)	110	–
Depreciation	541	553	477
Auditor's remuneration	225	269	328

During the years ended 31 December 2016 and 2017 and period ended 12 December 2018, the operations contributed approximately RMB8,919,000, RMB13,960,000 and paid approximately RMB15,129,000, respectively, to the Group's net operating cash flows, paid approximately RMB335,000 and RMB4,196,000 and contributed approximately RMB5,305,000, respectively, in respect of investing activities and paid approximately RMB1,200,000, RMB4,800,000 and RMB3,000,000, respectively, in respect of financing activities.

The net assets of the discontinued operation at the date of disposal were as follows:

	RMB'000
Consideration:	
Consideration receivable *(note i)*	19,119
Analysis of assets and liabilities over which control was lost:	
Non-current assets	
Property and equipment	1,227
Deferred tax assets	393
Deposits	129
	1,749
Current assets	
Trade and other receivables	53,066
Bank balances and cash	20,983
	74,049
Current liability	
Trade and other payables	(28,998)
Net assets disposed of	46,800
Net assets derecognised attributable to:	
Owners of the Company	28,080
Non-controlling interests	18,720
	46,800
Gain on disposal of the discontinued operation:	
Consideration receivable	19,119
Net assets disposed of attributable to owners of the Company	(28,080)
Equity instruments at FVTOCI *(note ii)*	9,205
Gain on disposal	244
Net cash outflow arising on disposal:	
Cash consideration	–
Less: bank balances and cash disposed of	(20,983)
	(20,983)

Notes:

(i) Pursuant to the sale and purchase agreement, the cash consideration of RMB20,250,000 will be settled in three equal instalments by March 2021. Accordingly, the amount of consideration is adjusted for the effects of the time value of money using an effective interest rate of 4.75% per annum. Such consideration receivables are recorded on the consolidated statements of financial position of the Group at 31 December 2018 as follows:

	RMB'000
Other receivables:	
– Current *(Note 22)*	6,671
– Non-current	12,448
	19,119

(ii) The Group's remaining 19.5% equity interest in Guangzhou Reach upon the disposal is no longer accounted for as a subsidiary and is classified as an equity instrument at FVTOCI.

12. PROFIT FOR THE YEAR

	Year ended 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year from continuing operations has been arrived at after charging (crediting):			
Directors' emoluments *(Note 13)*			
Salaries, allowances and other benefits	2,474	2,705	2,926
Retirement benefit scheme contributions	79	87	95
Performance related bonus	1,149	1,983	2,491
	3,702	4,775	5,512
Other staff costs			
Salaries, allowances and other benefits	1,276,640	1,598,019	1,826,880
Retirement benefit scheme contributions	161,850	190,082	231,063
	1,438,490	1,788,101	2,057,943
Total staff costs	1,442,192	1,792,876	2,063,455
Auditors' remuneration	1,935	3,132	3,216
Minimum lease payments	26,067	27,523	32,364
Depreciation	4,842	4,016	3,380
Amortisation	–	887	2,589
Loss (gain) on disposal of property and equipment	329	(357)	(137)
Research and development costs recognised as an expense (included in administrative expenses)	7,074	9,201	8,965

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of the emoluments paid or payable during the Track Record Period for their services rendered to the entities comprising the Group are as follows:

(a) Executive director and non-executive directors

Year ended 31 December 2016

	Fees	Salaries, allowances and other benefits	Retirement benefit scheme contributions	Performance related bonus	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (note ii)*	*RMB'000*
Executive director:					
Yuan Jianhua *(note i)*	–	2,474	79	1,149	3,702
Non-executive directors:					
Darryl E Green	–	–	–	–	–
Sriram Chandrasekar	–	–	–	–	–
Zhang Yinghao	–	–	–	–	–
Zhai Feng	–	–	–	–	–
	–	2,474	79	1,149	3,702

Year ended 31 December 2017

	Fees	Salaries, allowances and other benefits	Retirement benefit scheme contributions	Performance related bonus	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (note ii)*	*RMB'000*
Executive director:					
Yuan Jianhua *(note i)*	–	2,705	87	1,983	4,775
Non-executive directors:					
Darryl E Green	–	–	–	–	–
Sriram Chandrasekar	–	–	–	–	–
Zhang Yinghao	–	–	–	–	–
Zhai Feng	–	–	–	–	–
	–	2,705	87	1,983	4,775

Year ended 31 December 2018

	Fees	Salaries, allowances and other benefits	Retirement benefit scheme contributions	Performance related bonus	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (note ii)*	*RMB'000*
Executive director:					
Yuan Jianhua *(note i)*	–	2,926	95	2,491	5,512
Non-executive directors:					
Darryl E Green	–	–	–	–	–
Sriram Chandrasekar	–	–	–	–	–
Zhang Yinghao	–	–	–	–	–
Zhai Feng	–	–	–	–	–
	–	2,926	95	2,491	5,512

Notes:

(i) The executive director's emoluments shown above were for his services in connection with the management of the affairs of the Company and the Group and the capacity as the chief executive during the Track Record Period as he is also the chief executive of the Company.

(ii) The performance related bonus are determined based on the performance of the director on a discretionary basis.

(b) Independent non-executive directors

No independent non-executive directors were appointed by the Company during the Track Record Period. Thomas Yeoh Eng Leong, Wong Man Lai Stevie and Victor Huang are appointed as independent non-executive directors of the Company on 15 March 2019.

14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group for the Track Record Period include one director for each of the years ended 31 December 2016, 2017 and 2018. The emoluments of the remaining individuals of the Group for the years ended 31 December 2016, 2017 and 2018:

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and other benefits	6,221	6,181	6,756
Retirement benefit scheme contributions	282	292	331
Performance related bonus	2,626	4,062	5,512
	9,129	10,535	12,599

The number of the highest paid employees who are not the directors of the Company whose emoluments fell within the following bands is as follows:

	Year ended 31 December		
	2016	2017	2018
	No. of employees	*No. of employees*	*No. of employees*
HK$1,500,001 to HK$2,000,000	2	–	–
HK$2,000,001 to HK$2,500,000	–	2	2
HK$2,500,001 to HK$3,000,000	1	1	1
HK$4,000,001 to HK$4,500,000	1	–	–
HK$4,500,001 to HK$5,000,000	–	1	1
	4	4	4

During the Track Record Period, no emoluments were paid by the Group to any of the directors or chief executive officer of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the chief executive officer, directors of the Company nor the five highest paid individuals waived any emoluments during the Track Record Period.

15. DIVIDENDS

No dividends have been paid or declared by the Company during the years ended 31 December 2016 and 2017.

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

A final dividend in respect of the year ended 31 December 2018 of US$13.7 million (equivalent to approximately RMB94.2 million) was declared on 5 June 2019 and paid in June 2019.

16. EARNINGS PER SHARE

For continuing operations

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

Earnings figures are calculated as follows:

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to owners of the Company	65,382	84,389	98,156
Less: profit for the year from discontinued operation	(4,312)	(3,013)	(3,116)
Earnings for the purpose of basic earnings per share from continuing operations	61,070	81,376	95,040

Number of shares

	Year ended 31 December		
	2016	2017	2018
Number of ordinary shares for the purpose of basic earnings per share	150,000,000	150,000,000	150,000,000

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the redenomination of issued share capital set out in Note 27 and the issue of 135,097,920 ordinary shares pursuant to the capitalisation issue as referred to the section headed "Share Capital" in the Prospectus has been effective on 1 January 2016.

No diluted earnings per share for the Track Record Period was presented as there were no potential ordinary shares in issue during the Track Record Period.

From continuing and discontinued operations

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

	Year ended 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Earnings			
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	65,382	84,389	98,156

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

From discontinued operation

Basic earnings per share for the discontinued operation is RMB0.029, RMB0.020 and RMB0.021 for the years ended 31 December 2016, 2017 and 2018, respectively, based on the profit for the year from the discontinued operation of approximately RMB4,312,000, RMB3,013,000 and RMB3,116,000 for the years ended 31 December 2016, 2017 and 2018, respectively and the denominators detailed above for basic earnings per share.

17. PROPERTY AND EQUIPMENT

	Leasehold improvements	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST						
At 1 January 2016	9,077	1,835	12,316	499	17,814	41,541
Additions	3,039	–	525	13	1,694	5,271
Disposals	(185)	–	(341)	(355)	(3,766)	(4,647)
Exchange adjustments	104	–	817	–	365	1,286
At 31 December 2016	12,035	1,835	13,317	157	16,107	43,451
Additions	1,736	–	678	–	3,716	6,130
Acquired on acquisition of a subsidiary	66	–	85	–	236	387
Disposals	(875)	–	(2,900)	(61)	(2,971)	(6,807)
Exchange adjustments	(109)	–	(82)	–	(408)	(599)
At 31 December 2017	12,853	1,835	11,098	96	16,680	42,562
Additions	2,688	–	1,289	–	4,662	8,639
Disposals	(798)	–	(373)	–	(590)	(1,761)
Disposal of subsidiaries	(1,556)	–	(478)	(96)	(1,165)	(3,295)
Exchange adjustments	71	–	346	–	367	784
At 31 December 2018	13,258	1,835	11,882	–	19,954	46,929
ACCUMULATED DEPRECIATION						
At 1 January 2016	5,195	588	11,288	159	15,084	32,314
Provided for the year	3,596	87	613	26	1,061	5,383
Eliminated on disposals	(185)	–	(341)	(97)	(3,616)	(4,239)
Exchange adjustments	100	–	765	–	361	1,226
At 31 December 2016	8,706	675	12,325	88	12,890	34,684
Provided for the year	1,616	87	648	24	2,194	4,569
Eliminated on disposals	(875)	–	(2,866)	(38)	(2,723)	(6,502)
Exchange adjustments	(100)	–	(78)	–	(399)	(577)
At 31 December 2017	9,347	762	10,029	74	11,962	32,174
Provided for the year	1,297	87	77	18	2,378	3,857
Eliminated on disposals	(626)	–	(343)	–	(563)	(1,532)
Eliminated on disposal of subsidiaries	(836)	–	(369)	(92)	(771)	(2,068)
Exchange adjustments	57	–	316	–	292	665
At 31 December 2018	9,239	849	9,710	–	13,298	33,096
CARRYING VALUES						
At 31 December 2016	3,329	1,160	992	69	3,217	8,767
At 31 December 2017	3,506	1,073	1,069	22	4,718	10,388
At 31 December 2018	4,019	986	2,172	–	6,656	13,833

The above items of property and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	20% or shorter of lease term
Buildings	5%
Furniture and fixtures	20%
Motor vehicles	20% – $33^1/_3$%
Computer equipment	20% – $33^1/_3$%

18. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSET WITH INDEFINITE USEFUL LIFE

	Year ended 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
COST			
At 1 January	31,055	33,048	65,910
Arising from an acquisition of a subsidiary *(Note 29)*	–	35,211	–
Exchange adjustments	1,993	(2,349)	3,400
At 31 December	33,048	65,910	69,310
IMPAIRMENT			
At 1 January and 31 December	–	–	–
CARRYING VALUES			
At 31 December	33,048	65,910	69,310

For the purposes of impairment testing, goodwill and trademarks with indefinite useful lives have been allocated to three individual cash-generating units ("CGUs"), comprising three subsidiaries in the Workforce Solutions segment. The carrying amounts of goodwill and trademarks (net of accumulated impairment losses, if any) allocated to these units are as follows:

	At 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Goodwill:			
– Manpower Services (Hong Kong) Limited ("Manpower Services HK")	30,438	28,309	29,830
– Xi'an Foreign Enterprise Service Co., Ltd.* 西安外國企業服務有限公司 ("Xi'an Fesco")	2,610	2,610	2,610
– Event Elite Production and Promotion Limited ("Event Elite")	–	34,991	36,870
Trademarks:			
– Event Elite	–	30,158	31,777
	33,048	96,068	101,087

* *For identification purposes only*

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

The recoverable amounts of CGUs have been determined based on a value in use calculation. Their recoverable amounts are based on certain similar key assumptions. Their value in use calculations use cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flow projections beyond the 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry in which the businesses of the CGUs operate. For the years ended 31 December 2016, 2017 and 2018, the pre-tax rates used to discount the forecast cash flows from Manpower Services HK are 14.5%, 15.5% and 15.5%, respectively. For the years ended 31 December 2016, 2017 and 2018, the pre-tax rates used to discount the forecast cash flows from Xi'an Fesco are 15%, 16% and 16%, respectively. For the years ended 31 December 2017 and 2018, the pre-tax rate used to discount the forecast cash flows from Event Elite are 20.5% and 20.5%.

Cash flow projections during the budget period for the CGUs are also based on management's estimation of cash inflows/outflows including gross revenue, gross margin, operating expenses and working capital requirements during the budget period. The assumptions and estimations are based on the CGU's past performance, management's expectations of the market development.

During the years ended 31 December 2016, 2017 and 2018, management of the Group determines that there is no impairment on any of its CGUs. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of any of the CGUs to exceed the recoverable amount of the respective CGUs.

The table below sets forth the headroom which represents the excess of the recoverable amount over the carrying amount of the CGUs when the key parameters disclosed above were applied in the impairment testing:

	Headroom		
	At 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Manpower Services HK	79,797	81,031	86,200
Xi'an Fesco	4,348	3,509	2,997
Event Elite	*(note)*	*(note)*	22,909

The tables below set forth the sensitivity analysis of the impact of variations in key assumptions, namely the discount rate and the revenue growth rate, on the headroom which represents the excess of the recoverable amount over the carrying amount of the CGUs:

	Headroom		
	At 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Revenue growth rate reduced by 3%:			
Manpower Services HK	32,469	34,245	39,396
Xi'an Fesco	4,071	3,385	2,063
Event Elite	*(note)*	*(note)*	9,058

	Headroom		
	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Pre-tax discount rate increased by 1%:			
Manpower Services HK	35,467	38,273	39,153
Xi'an Fesco	4,066	3,180	2,558
Event Elite	*(note)*	*(note)*	15,696

Note: Event Elite was acquired in September 2017, sensitivity analysis is not applicable and meaningful for 2016 and 2017.

19. OTHER INTANGIBLE ASSETS

	Trademarks	Customers relationships	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
At 1 January 2016 and 31 December 2016	–	–	–
Acquired on acquisition of a subsidiary *(Note 29)*	30,347	12,881	43,228
Exchange adjustments	(189)	(80)	(269)
At 31 December 2017	30,158	12,801	42,959
Exchange adjustments	1,619	688	2,307
At 31 December 2018	31,777	13,489	45,266
AMORTISATION			
At 1 January 2016 and 31 December 2016	–	–	–
Charge for the year	–	887	887
Exchange adjustments	–	(33)	(33)
At 31 December 2017	–	854	854
Charge for the year	–	2,589	2,589
Exchange adjustments	–	154	154
At 31 December 2018	–	3,597	3,597
CARRYING VALUES			
At 31 December 2016	–	–	–
At 31 December 2017	30,158	11,947	42,105
At 31 December 2018	31,777	9,892	41,669

The following useful lives are used in the calculation of amortisation:

Trademarks	Indefinite lives
Customers relationships	5 years

Trademarks are considered by the management as having indefinite useful lives as they can be renewed at minimal cost and are expected to contribute indefinitely to the Group's net cash inflows. They are not amortised but subject to an annual impairment test and whenever there is any impairment indicator. Particulars of the impairment testing is disclosed in Note 18.

20A. INTERESTS IN ASSOCIATES

	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Cost of investments in associates	–	–	7,900
Share of post-acquisition losses and other comprehensive expense, net of dividends received	–	–	(1,702)
	–	–	6,198

Details of each of the Group's associates at the end of each reporting period are as follow:

Name of company	Country of incorporation/ operation	Proportion of ownership interest held by the Group as at 31 December			Proportion of voting rights held by the Group as at 31 December			Principal activities
		2016	2017	2018	2016	2017	2018	
上海金盞企業管理有限公司	PRC	–	–	34%	–	–	34%	Human resource services
北京萬智國際人力資源有限公司	PRC	–	–	35%	–	–	35%	Human resource services
匯智盛華(瀋陽)人力資源服務有限公司	PRC	–	–	20%	–	–	20%	Human resource services
南京盛華領航企業管理諮詢有限公司	PRC	–	–	34%	–	–	34%	Human resource services

All of these associates are accounted for using the equity method in the Historical Financial Information.

Aggregate information of associates that are not individually material	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
The Group's share of total comprehensive expense	–	–	(1,702)

20B. AVAILABLE-FOR-SALE INVESTMENTS/EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 31 December 2017, the investments in unlisted equity instruments in the PRC were classified as available-for-sale investments and reclassified to equity instruments at FVTOCI upon the application of IFRS 9 on 1 January 2018.

As disclosed in Note 11, upon the disposal of 40.5% equity interest in Guangzhou Reach in December 2018, the Group's remaining 19.5% equity interest in Guangzhou Reach is no longer accounted for as a subsidiary and is classified as an equity instrument at FVTOCI.

There is no significant change in the fair values of the investments during the year ended 31 December 2018.

21. DEFERRED TAX ASSETS/LIABILITIES

The following are the major deferred tax liabilities and assets recognised and movements thereon during the Track Record Period:

	Bad debts Provision	Accrued payroll expenses	Tax losses	Other intangible assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2016	807	1,201	850	–	426	3,284
Credit to profit or loss	1,001	363	542	–	199	2,105
Exchange adjustments	32	–	–	–	–	32
At 31 December 2016	1,840	1,564	1,392	–	625	5,421
Acquired on acquisition of a subsidiary	–	–	–	(7,133)	–	(7,133)
(Charge) credit to profit or loss	(1,130)	119	(874)	185	(107)	(1,807)
Exchange adjustments	(30)	–	–	–	–	(30)
At 31 December 2017	680	1,683	518	(6,948)	518	(3,549)
Disposal of subsidiaries	(172)	–	(64)	–	(157)	(393)
Credit (charge) to profit or loss	57	305	(454)	427	544	879
Exchange adjustments	9	–	–	(354)	54	(291)
At 31 December 2018	574	1,988	–	(6,875)	959	(3,354)

Under the EIT Law of PRC and relevant laws and regulations in Taiwan, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 and Taiwan subsidiaries, that are received by non-local resident entities. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries and Taiwan subsidiaries in aggregate amounting to RMB51.9 million, RMB106.8 million and RMB120.2 million as at 31 December 2016, 2017 and 2018, respectively, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

22. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group

	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	328,399	368,329	417,274
Less: allowance for doubtful debts	(8,264)	(5,070)	(4,607)
Total trade receivables	320,135	363,259	412,667
Deposits and prepayments	19,100	20,255	26,242
Consideration receivable *(Note 11)*	–	–	6,671
Deferred issue costs	–	–	4,296
Prepaid listing expenses	–	–	1,533
Total trade and other receivables, deposits and prepayments	339,235	383,514	451,409

The Company

	At 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Deferred issue costs	–	–	4,296
Prepaid listing expenses	–	–	370
	–	–	4,666

As at 1 January 2016, trade receivables from contracts with customers amounted to approximately RMB279 million.

The Group generally allows average credit period of 30 – 90 days to its customers.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. The majority of the Group's trade receivables that are not impaired have good credit quality. The Group does not hold any collateral over these balances.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of each reporting period.

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

	At 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
0 – 30 days	295,740	342,013	383,073
31 – 60 days	13,917	14,648	17,915
61 – 90 days	5,365	5,853	8,034
Over 90 days	5,113	745	3,645
	320,135	363,259	412,667

The Group recognised the allowance for certain trade receivables which has been past due and considered as doubtful debts or irrecoverable by the management.

Movement in allowance for doubtful debts:

	Year ended 31 December	
	2016	**2017**
	RMB'000	*RMB'000*
At 1 January	3,992	8,264
Impairment loss recognised (reversed)	4,272	(3,194)
At 31 December	8,264	5,070

Included in the Group's trade receivables balance as at 31 December 2016 and 2017 with aggregate carrying amounts of approximately RMB5,467,000 and RMB2,434,000, respectively which are past due at the reporting date for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality and the amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

	At 31 December	
	2016	**2017**
	RMB'000	*RMB'000*
Overdue:		
1 – 30 days	354	1,689
Over 30 days	5,113	745
	5,467	2,434

Starting from 1 January 2018, the Group applied simplified approach to provide the ECL prescribed by IFRS 9.

As part of the Group's credit risk management, the Group assesses the impairment for its customers, based on different groups of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms, and individually for credit-impaired customers.

As at 31 December 2018, included in the Group's trade receivables balance with aggregate carrying amount of approximately RMB13,015,000 is past due at the reporting date. The Group does not hold any collateral over these balances.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables
Low risk	The counterparty has a low risk of default, does not have any past-due amounts and usually settled within credit period	Lifetime ECL – not credit-impaired
Watch list	Debtor with past-due amounts and frequently repays after due dates	Lifetime ECL – not credit-impaired
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources (with past-due amounts within 1 year)	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired (with past-due amounts over 1 year and no recent repayments)	Lifetime ECL – credit-impaired

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2018 within lifetime ECL (not credit-impaired). Debtors with credit-impaired with gross carrying amounts of RMB3,297,000 as at 31 December 2018 were assessed individually.

	Average loss rate	Gross trade receivables	ECL
		RMB'000	*RMB'000*
Assessed based on provision matrix			
Internal credit rating:			
Low risk	0.24%	404,259	970
Watch list	3.5%	9,718	340
		413,977	1,310
Assessed individually			
Loss	100%	3,297	3,297
		417,274	4,607

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

Movement in lifetime ECL that has been recognised in accordance with simplified approach set out in IFRS 9 for the year ended 31 December 2018

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	–	5,070	5,070
Disposal of subsidiaries	–	(690)	(690)
Impairment losses reversed	–	(1,083)	(1,083)
Impairment loss recognised	1,310	–	1,310
At the end of the year	1,310	3,297	4,607

All of the above impairment losses related to receivables arising from contracts with customers.

During the year ended 31 December 2018, no additional impairment loss was recognised for credit-impaired trade receivables and impairment loss of approximately RMB1,310,000 was recognised for non-credit-impaired trade receivables.

23. AMOUNTS DUE FROM (TO) NCI SHAREHOLDERS/ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES/SUBSIDIARIES/LOANS FROM NCI SHAREHOLDERS

The Group

The amounts due from NCI shareholders are non-trade in nature, unsecured, non-interest bearing and recoverable on demand. Such balances were fully settled during the year ended 31 December 2018.

The amounts due from ultimate holding company of RMB24,000, RMB1,231,000 and RMB3,965,000 and fellow subsidiaries of RMB1,087,000, nil and nil at 31 December 2016, 2017 and 2018, respectively, are non-trade in nature, unsecured, non-interest bearing and repayable on demand. The amounts due from ultimate holding company of RMB2,026,000, RMB2,338,000, nil and RMB194,000 and fellow subsidiaries of nil, RMB1,254,000, nil and nil at 1 January 2016, 31 December 2016, 2017 and 2018, respectively, are trade in nature, unsecured, non-interest bearing and repayable on demand. The following is an ageing analysis of amounts due from ultimate holding company and fellow subsidiaries (trade related) at the end of each reporting period, presented based on the invoice date:

	Amount due from ultimate holding company At 31 December			**Amounts due from fellow subsidiaries At 31 December**		
	2016	**2017**	**2018**	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
0 – 30 days	249	–	96	1,161	–	–
31 – 60 days	169	–	98	93	–	–
61 – 90 days	156	–	–	–	–	–
Over 90 days	1,764	–	–	–	–	–
	2,338	–	194	1,254	–	–

The directors of the Company considered that the ECL for the amounts due from ultimate holding company and fellow subsidiaries are insignificant as at 31 December 2018.

The amount due to ultimate holding company of approximately RMB7,837,000, RMB7,345,000 and RMB9,068,000 at 31 December 2016, 2017 and 2018, respectively, is non-trade in nature, unsecured, non-interest bearing and repayable on demand. The amount due to ultimate holding company of approximately RMB276,000, RMB2,527,000 and RMB11,645,000 at 31 December 2016, 2017 and 2018, respectively, is unsecured, non-interest bearing, trade in nature and repayable on demand. Except for the amounts due to fellow subsidiaries of RMB680,000 at 31 December 2018 which are trade in nature, unsecured, non-interest bearing and repayable on demand, the remaining amounts due to fellow subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

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

	Amount due to ultimate holding company At 31 December			**Amounts due to fellow subsidiaries At 31 December**		
	2016	**2017**	**2018**	**2016**	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
0 – 30 days	276	2,527	656	–	–	280
31 – 60 days	–	–	805	–	–	50
61 – 90 days	–	–	1,037	–	–	38
Over 90 days	–	–	9,147	–	–	312
	276	2,527	11,645	–	–	680

The loans from NCI shareholders are unsecured, interest-bearing at the lower of Hong Kong Prime Rate or 5% and repayable on demand. Such loans were fully settled during the year ended 31 December 2018.

The Company

The amount due from a subsidiary is non-trade in nature, unsecured and interest bearing at a fixed rate of 0.005% per annum with no fixed repayment term. The directors of the Company considered that the ECL for the amount due from a subsidiary is insignificant as at 31 December 2018.

The amounts due to subsidiaries and a fellow subsidiary are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/STRUCTURED DEPOSITS/ RESTRICTED BANK DEPOSITS/TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS/BANK BALANCES AND CASH

The Group

As at 31 December 2016 and 2017, the structured deposits represent the financial products amounting to approximately RMB15,000,000 and RMB82,717,000 issued by banks in the PRC, respectively. The banks guaranteed 100% of the invested principal amounts and returns of which are determined by reference to the change in certain interest rates quoted in the market or the performance of underlying investments as specified in the relevant deposit placements. As the Group evaluated the performance of the structured deposits on a fair value basis, the Group designated the structured deposits as financial assets at FVTPL on initial recognition. The directors of the Company consider the fair values of the structured deposits, which are based on the prices provided by the counterparty banks which represented the prices they would pay to redeem the deposits at the end of each reporting period, approximate to their carrying values at the same day.

As at 31 December 2018, the structured deposits represent the financial products amounting to approximately RMB87,279,000 issued by banks in the PRC. At the date of initial application of IFRS 9, the Group no longer applied designation as measured at FVTPL for structured deposits as these financial assets are required to be measured at FVTPL under IFRS 9. As at 31 December 2018, the financial assets at FVTPL of approximately RMB87,279,000 is pledged for surety bonds issued by the banks to the Group (Note 37).

Restricted bank deposits represent bank deposits which are restricted for surety bonds issued to the Group by banks (see Note 37) for service contracts as requested by customers. As at 31 December 2016, 2017 and 2018, the restricted bank deposits carried interest rate of 0.25% to 0.59%, 0.25% to 0.59% and 0.50% to 2.18% per annum, respectively.

Time deposits with original maturity over three months of approximately RMB236,308,000, RMB224,621,000 and RMB147,184,000 represent fixed deposits with maturity more than three months from the date of acquisition which carried interest at prevailing market rates ranging from 1.59% to 1.90%, 1.80% to 1.85% and 1.54% to 1.85% per annum as at 31 December 2016, 2017 and 2018, respectively.

As at 31 December 2016, 2017 and 2018, bank balances carried interest at prevailing market rates of 0.005% to 0.30%, 0.005% to 0.40% and 0.005% to 0.69% per annum, respectively.

The directors of the Company considered that the ECL for the restricted bank deposits, time deposits and bank balances and cash are insignificant as at 31 December 2018.

The Company

As at 31 December 2016, 2017 and 2018, bank balances carried interest at prevailing market rates of 0.005%, 0.005% and 0.005% per annum, respectively. The directors of the Company considered that the ECL for the bank balances is insignificant as at 31 December 2018.

25A. TRADE AND OTHER PAYABLES

	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	10,799	25,353	15,124
Accrued payroll and other expenses	213,177	263,791	292,262
Other tax payables	19,124	19,883	21,954
Dividends payables to NCI shareholders *(Note 29)*	–	10,309	–
Accrued issue costs and listing expenses	–	–	14,408
	243,100	319,336	343,748

The ageing analysis of the trade payables based on invoice date at the end of each reporting period is as follows:

	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
0 – 30 days	10,331	24,841	13,308
31 – 60 days	329	359	343
61 – 90 days	–	39	1,180
91 – 120 days	139	114	293
	10,799	25,353	15,124

25B. CONTRACT LIABILITIES

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

26. OBLIGATION ARISING FROM A FORWARD CONTRACT TO NCI SHAREHOLDERS

Pursuant to the Acquisition Agreement (as defined in Note 29), a subsidiary of the Company is obligated to further acquire 19% and 15% of equity interest of Event Elite in 2019 (the "Second Tranche") and 2021 (the "Third Tranche"), respectively, if there is a certain growth on the net income of Event Elite in 2017 and 2018 for Second Tranche and 2019 and 2020 for Third Tranche, provided that Second Tranche are completed ("Forward Contract"). The consideration of the Second Tranche and Third Tranche shall be determined based on net income of Event Elite for years ending 31 December 2018 and 2020, respectively.

At initial recognition, the obligation arising from the Forward Contract to the NCI shareholders of Event Elite represents the present value of the obligation to deliver the share redemption amount at discount rate of 5% in 2019 and 2021 amounting to approximately RMB42,507,000. This amount has been recognised in the consolidated statements of financial position with a corresponding debit to the non-controlling interests in September 2017. At 31 December 2017, the condition for Second Tranche was not met and therefore the Forward Contract lapsed and the related liability was extinguished. Such liability was reversed with a corresponding credit to non-controlling interests on 31 December 2017.

27. SHARE CAPITAL

	Number of shares	Amount
		US$
Ordinary shares of US$1		
Authorised:		
At 1 January 2016, 31 December 2016, 2017 and 2018	50,000	50,000
Issued and fully paid:		
At 1 January 2016, 31 December 2016, 2017 and 2018	19,608	19,608
		RMB'000
Presented as		125

On 18 January 2019, the authorised share capital of the Company was redenominated from US$50,000 divided into 50,000 shares of US$1 each to HK$380,000 divided into 38,000,000 shares of HK$0.01 each. The number of issued share capital also converted from 19,608 shares of US$1 each to 14,902,080 shares of HK$0.01 each.

On 5 June 2019, the Company increased its authorised share capital from HK$380,000 divided into 38,000,000 shares of HK$0.01 each to HK$15,200,000 divided into 1,520,000,000 shares of HK$0.01 each by the creation of an additional 1,482,000,000 shares of HK$0.01 each.

28. RETIREMENT BENEFIT PLANS

Defined Contribution Plan:

(a) The PRC

The Group's full-time employees in the PRC are covered by a government sponsored defined contribution pension scheme, and are entitled to a monthly pension from their retirement dates. The PRC Government is responsible for the pension liability to these retired employees. The Group is required to make annual contributions to the retirement plan at a rate of 12% to 20% of employees' salaries for the years ended 31 December 2016, 2017 and 2018, which are charged to profit or loss as an expense when the contributions are due.

(b) Hong Kong

The Group participates in a pension scheme, which was registered under the Mandatory Provident Fund Schemes Ordinance (the "MPF Ordinance"), for all its employees in Hong Kong. The mandatory provident fund scheme (the "MPF Scheme") is a defined contribution scheme and is funded by contributions from employers and employees according to the provisions of the MPF Ordinance.

The Group's and the employees' contributions to the MPF Scheme are each set at 5% of the employees' salaries up to a maximum of HK$1,500 since 1 June 2014 per employee per month. The Group's contributions to the MPF Scheme are fully and immediately vested to the employees once they are paid.

(c) Taiwan

According to the Labor Pension Act in Taiwan, for employees who are hired on or after 1 July 2005, an employer is required to contribute each month an amount equivalent to at least 6% of each employee's monthly salary into the employee's personal pension fund account at the Bureau of Labor Insurance. The employees may also voluntarily contribute up to 6% of their monthly salaries to the personal pension fund account.

The Taiwan defined contribution scheme was established under trust with the assets of the funds held separately from those of the Group by independent trustees.

(d) Macau

Eligible employees in Macau are covered by a government-mandated defined contribution plan pursuant to which a fixed amount of retirement benefit would be determined by the Macau Government. Contributions are generally made by both employees and employers by paying a fixed amount on a monthly basis to the Social Security Fund managed by the Macau Government. The Group funds the entire contribution and has no further commitments beyond its monthly contributions.

During the years ended 31 December 2016, 2017 and 2018, total amounts contributed by the Group to the schemes in the PRC, Hong Kong, and Taiwan and charged to profit or loss, which represent contributions payable to the schemes by the Group at rates specified in the rules of the schemes are approximately RMB162 million, RMB190 million and RMB231 million, respectively, for continuing operations.

Defined Benefit Plan:

A subsidiary of the Group in Taiwan also participates in a defined benefit retirement scheme for its eligible employees in Taiwan (the "Taiwan Scheme"). Under the Taiwan Scheme, the employees are entitled to retirement benefits calculated on the basis of the length of service and average monthly salaries before the attainment of a retirement age of 65. The employer contributes amounts equal to 2% of the employees' total monthly salary and no contribution is required from the employee. The assets of the Taiwan Schemes are held under a government-run trust separate from those of the Group. As at 31 December 2016, 2017 and 2018, the directors of the Company assessed the present value of the defined benefits obligations based on an actuarial valuation of plan assets performed by an independent professionally qualified actuary using the projected unit credit method.

The plan in Taiwan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity instruments, debt instruments and real estates. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it is appropriate that a reasonable portion of the plan assets should be invested in equity instruments and in real estate to leverage the return generated by the fund.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt instruments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The main actuarial assumptions used for the Track Record Period were as follows:

	At 31 December		
	2016	**2017**	**2018**
Discount rate	1.63%	1.63%	1.50%
Expected rate of long-term salary increases	4.00%	4.00%	4.00%

The actuarial valuation showed that the market value of plan assets at 31 December 2016, 2017 and 2018 was approximately RMB1,397,000, RMB1,443,000 and RMB1,543,000, respectively and that the actuarial value of these assets represented 145%, 141% and 134% of the benefits that had accrued to members, respectively.

Amounts recognised in the consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2016, 2017 and 2018 in respect of these defined benefit plans are as follows:

	Year ended 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Interest expense on defined benefit obligation	15	16	16
Interest income on plan assets	(26)	(23)	(23)
Components of defined benefit costs recognised in profit or loss	(11)	(7)	(7)
Remeasurement of the net defined benefit liability:			
Actuarial losses arising from changes in financial assumptions	46	–	26
Actuarial losses arising from experience adjustments	55	22	56
Loss (gain) on plan assets	16	9	(35)
Income tax related to actuarial losses from remeasurement of defined benefit obligations	(20)	(5)	(8)
Components of defined benefit costs recognised in other comprehensive income	97	26	39
Total	86	19	32

The expense for the period has been included in salaries, bonus and pension expenses. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the consolidated statements of financial position arising from the Group's obligation in respect of the plan is as follows:

	At 31 December		
	2016	**2017**	**2018**
	RMB'000	*RMB'000*	*RMB'000*
Fair value of plan assets	1,397	1,443	1,543
Present value of funded obligations	(964)	(1,024)	(1,155)
Net asset arising from defined benefit obligations	433	419	388

Movements in the present value of the defined benefit obligations during the Track Record Period were as follows:

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	776	964	1,024
Actuarial losses arising from changes in financial assumptions	46	–	26
Actuarial losses arising from experience adjustments	55	22	56
Interest expense	15	16	16
Exchange differences	72	22	33
At 31 December	964	1,024	1,155

Movements in the fair value of the plan assets during the Track Record Period were as follows:

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	1,271	1,397	1,443
(Loss) gain on plan assets (excluding interest income on plan assets)	(16)	(9)	35
Interest income	26	23	23
Contributions from the employer	5	–	–
Exchange differences	111	32	42
At 31 December	1,397	1,443	1,543

The fair value of the plan assets at the end of each reporting period for each category, are as follows:

	Fair value of plan assets At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Bank deposits	252	291	291
Equity instruments	631	624	716
Debt instruments	413	434	438
Others	101	94	98
	1,397	1,443	1,543

During the years ended 31 December 2016, 2017 and 2018, the actual return on plan assets was approximately RMB26,000, RMB23,000 and RMB23,000, respectively.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of each reporting period, while holding all other assumptions constant.

- If the discount rate is 25 basis points higher (lower), the defined benefit obligation would decrease by approximately RMB48,000 (increase by RMB51,000) for the year ended 31 December 2016; decrease by approximately RMB49,000 (increase by RMB52,000) for the year ended 31 December 2017; and decrease by approximately RMB53,000 (increase by RMB56,000) for the year ended 31 December 2018.

- If the expected salary growth increases (decreases) by 0.25%, the defined benefit obligation would increase by approximately RMB49,000 (decrease by RMB47,000) for the year ended 31 December 2016; increase by approximately RMB50,000 (decrease by RMB47,000) for the year ended 31 December 2017; and increase by approximately RMB54,000 (decrease by RMB51,000) for the year ended 31 December 2018.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of each reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statements of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis during the Track Record Period.

29. ACQUISITION OF A SUBSIDIARY

On 1 September 2017, Manpower Services HK, a wholly owned subsidiary of the Group, completed the acquisition of 51% of the equity interest in Event Elite for a consideration of HK$64 million (equivalent to approximately RMB53,649,000) pursuant to the agreement dated 4 July 2017 ("Acquisition Agreement"). This acquisition has been accounted for using the purchase method. Event Elite is engaged in the provision of flexible staffing service for marketing and business promotion. Event Elite was acquired so as to continue the expansion of the Group's flexible staffing service in Hong Kong.

	RMB'000
Consideration transferred	
Cash	53,649

Acquisition-related costs were not significant and have been excluded from the consideration transferred and have been recognised as an expense in 2017, within "administrative expenses" in the consolidated statements of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition:

	RMB'000
Property and equipment	387
Customers relationships	12,881
Trademarks	30,347
Trade and other receivables	17,903
Cash and cash equivalents	6,723
Trade and other payables	(7,548)
Dividends payables	(10,309)
Loans from shareholders	(3,635)
Tax payables	(3,462)
Deferred tax liabilities	(7,133)
Fair value of identified net assets acquired	36,154

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB17,903,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB17,903,000 at the date of acquisition. Based on the best estimate at acquisition date, no contractual cash flows is not expected to be collected.

	RMB'000
Goodwill arising on acquisition:	
Consideration transferred	53,649
Plus: Non-controlling interest (49% in Event Elite)	17,716
Less: Net assets acquired	(36,154)
Goodwill arising on acquisition	35,211
Net cash outflow arising on date of acquisition:	
Cash consideration paid	53,649
Less: Cash and cash equivalents acquired	(6,723)
	46,926

The non-controlling interests 49% in Event Elite recognised at the acquisition date was measured by reference to the proportionate share of the recognised amounts of net assets of Event Elite and amounted to approximately RMB17,716,000.

Goodwill arose in the acquisition of Event Elite because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Event Elite. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Included in the profit for the year ended 31 December 2017 is RMB5.9 million attributable to the additional business generated by Event Elite. Revenue for the year ended 31 December 2017 includes RMB36.6 million generated from Event Elite.

Had the acquisition been completed on 1 January 2017, total group revenue for the year ended 31 December 2017 would have been RMB2,528.7 million, and profit for the year ended 31 December 2017 would have been RMB101.6 million. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Event Elite been acquired at 1 January 2017, the directors of the Company have:

- calculated depreciation of property and equipment and amortisation of intangible assets acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

30. OPERATING LEASES

The Group as lessee

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Within one year	32,646	34,074	29,324
In the second to fifth year inclusive	46,353	66,960	59,159
	78,999	101,034	88,483

Operating lease payments represent rentals payable by the Group for its office premises. Lease terms are negotiated and rentals are fixed for an average of three years.

31. RELATED PARTY DISCLOSURES

In addition to the transactions and balances disclosed elsewhere in the Historical Financial Information, the Group had entered into the following significant related party transactions:

		Year ended 31 December		
	Nature of transaction	2016	2017	2018
		RMB'000	*RMB'000*	*RMB'000*
Ultimate holding company	Flexible staffing service income	3,114	2,830	1,119
	Flexible staffing service expense	–	161	287
	License fee expense	6,290	7,023	8,892
	Information technology services expense	205	235	201
	Software licensing and maintenance services expense	–	151	226
	Manpower Employment Outlook Survey license fee expense	95	86	90
Fellow subsidiaries	Flexible staffing service income	1,034	941	1,093
	Flexible staffing service expense	268	298	354
	Project and management coordination services expense	–	–	443
	Software licensing and maintenance services expense	566	680	423

Compensation of key management personnel

The directors of the Company were considered to be the key management personnel of the Company. The remuneration of the directors of the Company is set out in Note 13. The remuneration of key management personnel is determined with regard to the performance of individuals and market trends.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balance. The Group's overall strategy remained unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt, which includes amounts due to ultimate holding company and fellow subsidiaries and loans from NCI shareholders disclosed in Note 23, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves.

33. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	The Group			The Company		
	At 31 December			At 31 December		
	2016	2017	2018	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets						
Available-for-sale investments	–	500	–	–	–	–
Equity instruments at FVTOCI	–	–	9,705	–	–	–
Financial assets designated as at FVTPL	15,000	82,717	–	–	–	–
Financial assets at FVTPL	–	–	87,279	–	–	–
Loans and receivables (including cash and cash equivalents)	842,579	890,188	–	236,329	221,431	–
Amortised cost	–	–	854,677	–	–	234,856
Financial liabilities						
Amortised cost	18,912	52,402	52,656	16	15	23,511

b. Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade and other receivables, amounts due from NCI shareholders, amount due from (to) ultimate holding company, amounts due from (to) fellow subsidiaries, amounts due from (to) subsidiaries, time deposits with original maturity over three months, restricted bank deposits, bank balances and cash, trade and other payables and loans from NCI shareholders. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

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 management monitors foreign exchange exposure and will consider hedging of significant foreign currency exposure should the need arise.

The carrying amounts of the group entities' foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

	The Group						The Company		
	Assets			Liabilities			Assets		
	At 31 December			At 31 December			At 31 December		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Inter-company balances									
US$	236,317	221,420	233,890	236,317	221,420	233,890	236,317	221,420	233,890

Sensitivity analysis

The foreign currency financial liabilities denominated in US$ are arising from group entities with HK$ as functional currency. As HK$ is pegged to US$, the foreign currency exchange risk is considered to be limited. For the Company having significant US$ financial assets where RMB is the functional currency, it has exposure to the foreign currency exchange risk to US$.

The following table details the Group's and the Company's sensitivity to a 5% increase in RMB against US$. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A negative number below indicates decrease in post-tax profit or increase in post-tax loss where RMB strengthens 5% against US$. For a 5% weakening of RMB against US$, there would be an equal and opposite impact on the result.

	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
The Group and the Company			
Impact of US$ on profit/loss for the year	(11,816)	(11,071)	(11,695)

The directors of the Company considered the sensitivity analysis is unrepresentative of the inherent foreign exchange rate as the exposure at the end of each reporting period does not reflect the exposure during the Track Record Period.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate time deposits with original maturity over three months (see Note 24 for details). The Group is also exposed to cash flow interest rate risk in relation to variable rate restricted bank deposits and bank balances (see Note 24 for details) and variable-rate loans from NCI shareholders (see Note 23 for details).

Management has considered the Group's exposure to cash flow interest rate risk in relation to variable-rate restricted bank deposits and bank balances and fair value interest rate risk in relation to fixed-rate time deposits with original maturity over three months to be limited because the current market interest rates on bank deposits are relatively low and stable.

The Group cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Prime Rate arising from the Group's loan from non-controlling interests. The Group aims at keeping borrowings at variable rates. A 50 basis point increase or decrease in Hong Kong Prime Rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. As the impact of a 50 basis point fluctuation in Best Lending Rate on the Group's post-tax profit for the year ended 31 December 2017 is insignificant, no sensitivity analysis is presented.

The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. Management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

Credit risk

The Group's concentration of credit risk by geographical locations is mainly in the PRC, Hong Kong and Taiwan, which accounted for 66%, 21% and 13%, 68%, 16% and 16% and 61%, 24% and 15% of the total financial assets as at 31 December 2016, 2017 and 2018, respectively.

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

In order to minimise the credit risk, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts and sufficient allowance on doubtful debts are provide for on timely manner.

In addition, the Group performs impairment assessment under incurred loss model at 31 December 2016 and 2017 and ECL model upon application of IFRS 9 on 1 January 2018 and 31 December 2018 on trade balances individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The details of the credit risk exposures and ECL assessment of the Group's trade receivables are set out in Note 22.

In determining the ECL for other financial assets including other receivables and amounts due from a subsidiary, NCI shareholders and ultimate holding company, the directors of the Company have taken into account internal credit rating based on the historical default experience and credit quality and various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of the other financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. For the purpose of impairment assessment, the ECL of these financial assets is measured under 12m ECL and considered to be immaterial as the counterparties to these financial assets have a high credit rating.

The credit risks on bank balances, restricted bank deposits and time deposits with original maturity over three months are limited because the counterparties are banks and financial institutions with high credit rating of A assigned by international credit-rating agencies generally.

Other than concentration of credit risk on structured deposits, time deposits with original maturity over three months, restricted bank deposits and bank balances placed in banks in which the counterparties are financially sound, the Group has no significant concentration of credit risk with exposure spread over a number of counterparties.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

In the management of the liquidity risk, the Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows of the Group and the Company.

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the relevant market rates as at the reporting date) of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The maturity date for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate the undiscounted amount is derived from contracted interest rate curve at the end of each reporting period.

	Weighted average effective interest rate	Repayable on demand or less than 1 year	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
The Group				
At 31 December 2016				
Non-derivative financial liabilities				
Non-interest bearing				
Trade payables	–	10,799	10,799	10,799
Amount due to ultimate holding company	–	8,113	8,113	8,113
		18,912	18,912	18,912
At 31 December 2017				
Non-derivative financial liabilities				
Non-interest bearing				
Trade and other payables	–	35,662	35,662	35,662
Amount due to ultimate holding company	–	9,872	9,872	9,872
Amounts due to fellow subsidiaries	–	1,783	1,783	1,783
Variable-rate loans from NCI shareholders	5	5,085	5,085	5,085
		52,402	52,402	52,402
At 31 December 2018				
Non-derivative financial liabilities				
Non-interest bearing				
Trade and other payables	–	29,532	29,532	29,532
Amount due to ultimate holding company	–	20,713	20,713	20,713
Amounts due to fellow subsidiaries	–	2,411	2,411	2,411
		52,656	52,656	52,656

	Weighted average effective interest rate	Repayable on demand or less than 1 year	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
The Company				
At 31 December 2016				
Non-derivative financial liabilities				
Non-interest bearing				
Amount due to a fellow subsidiary	–	16	16	16
At 31 December 2017				
Non-derivative financial liabilities				
Non-interest bearing				
Amount due to a fellow subsidiary	–	15	15	15
At 31 December 2018				
Non-derivative financial liabilities				
Non-interest bearing				
Accrued issue costs and listing expenses	–	14,408	14,408	14,408
Amounts due to subsidiaries	–	9,088	9,088	9,088
Amount due to a fellow subsidiary	–	15	15	15
		23,511	23,511	23,511

c. Fair value measurements of financial instruments

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

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

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

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

Financial assets and financial liabilities	Fair value as at 31 December			Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2016	2017	2018				
	RMB'000	*RMB'000*	*RMB'000*				
Unlisted equity investments classified as equity instruments at FVTOCI	N/A	N/A	9,705	Level 3	Market comparison approach – in this approach, fair value was determined with reference to recent transaction price.	Recent transaction price	The lower recent transaction price, the lower the fair value of the investment, vice versa. A 3% decrease in the recent transaction price, holding all other variables constant, would decrease the carrying amount of the equity instruments by approximately RMB291,000 at 31 December 2018, vice versa.
Financial assets at FVTPL (Structured deposits)	15,000	82,717	87,279	Level 3	Discounted cash flows – Future cash flows are estimated based on estimated return of which are determined by reference to the change in certain interest rates quoted in the market or the performance of underlying investments as specified in the relevant deposit placements, and discounted at a rate that reflects the credit risk of various counterparties.	Estimated return	The higher the estimated return, the higher the fair value, vice versa. A 1% decrease in the estimated return, holding all other variables constant, would decrease the carrying amount of the financial assets by approximately RMB3,000, RMB66,000 and RMB79,000 at 31 December 2016, 2017 and 2018, respectively, vice versa.

There were no transfer out of Level 3 during the Track Record Period.

(ii) Reconciliation of Level 3 fair value measurements

The following table presents the reconciliation of Level 3 fair value measurements of the structured deposits and unlisted investments classified as equity instruments at FVTOCI during the Track Record Period:

	Structured deposits
	RMB'000
At 1 January 2016	–
Purchase of structured deposits	70,093
Redemption of structured deposits	(55,216)
Net gain on structured deposits	123
At 31 December 2016	15,000
Purchase of structured deposits	273,020
Redemption of structured deposits	(206,898)
Net gain on structured deposits	1,595
At 31 December 2017	82,717
Purchase of structured deposits	588,614
Redemption of structured deposits	(587,576)
Net gain on structured deposits	3,524
At 31 December 2018	87,279

	Unlisted investments classified as equity instruments at FVTOCI
	RMB'000
At 31 December 2017	–
Reclassification from available-for-sale investments upon initial application of IFRS 9	500
At 1 January 2018	500
Recognition of retained equity interest of Guangzhou Reach upon disposal of subsidiaries *(Note 11)*	9,205
At 31 December 2018	9,705

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

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

(iv) Fair value measurement and valuation process

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

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

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Accrued issue costs	Amount due to ultimate holding company (non-trade nature)	Amounts due to fellow subsidiaries (non-trade nature)	Loans from NCI shareholders	Dividends payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2016	–	7,389	–	–	–	7,389
Financing cash flows	–	–	–	–	(2,320)	(2,320)
Non-cash changes						
Dividends declared to NCI shareholders	–	–	–	–	2,320	2,320
Exchange adjustments	–	448	–	–	–	448
At 31 December 2016	–	7,837	–	–	–	7,837
Financing cash flows	–	–	1,783	1,360	(2,080)	1,063
Non-cash changes						
Interest expense recognised *(Note 9)*	–	–	–	90	–	90
Arising from an acquisition of a subsidiary *(Note 29)*	–	–	–	3,635	10,309	13,944
Dividends declared to NCI shareholders	–	–	–	–	2,080	2,080
Exchange adjustments	–	(492)	–	–	–	(492)
At 31 December 2017	–	7,345	1,783	5,085	10,309	24,522
Financing cash flows	(2,304)	1,328	(52)	(5,085)	(160,593)	(166,706)
Non-cash changes						
Issue costs accrued	4,296	–	–	–	–	4,296
Dividends declared	–	–	–	–	150,284	150,284
Exchange adjustments	–	395	–	–	–	395
At 31 December 2018	1,992	9,068	1,731	–	–	12,791

35. INVESTMENTS IN SUBSIDIARIES/PARTICULARS OF SUBSIDIARIES

The Company

	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Investment costs	264,960	264,960	264,960

As at the date of this report, the Company has direct and indirect equity interests in the following major subsidiaries:

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid capital/ registered capital	Equity interest attributable to the Company as at				Principal activities	*Notes*
			31 December			The date of this report		
			2016	2017	2018			
Directly held:								
ManpowerGroup Greater China (BVI) Limited	BVI 30 September 2014	HKD334,296,674	100%	100%	100%	100%	Investment holding	*a*
Indirectly held:								
萬寶盛華人力資源(中國)有限公司 ManpowerGroup (China) Human Resources Co., Ltd.*	Shanghai 18 March 2003	USD4,800,000	100%	100%	100%	100%	Human resource services	*b*
萬寶盛華企業管理諮詢(上海)有限公司 Manpower Enterprise Management Consulting (Shanghai) Co., Ltd.*	Shanghai 10 February 2012	RMB5,000,000	100%	100%	100%	100%	Human resource services	*b*
萬寶盛華信息科技(上海)有限公司 Manpower Information Technology (Shanghai) Co., Ltd.*	Shanghai 25 July 2014	RMB2,000,000	100%	100%	100%	100%	Human resource services	*b*
萬寶盛華睿信教育科技廣東有限公司 Manpower Ruixin Education Technology Guangdong Co., Ltd.*	Foshan 18 August 2016	RMB10,000,000	100%	100%	100%	100%	Career training	*b*
萬寶瑞華人才管理諮詢(上海)有限公司 Experis Management Consulting (Shanghai) Co., Ltd.*	Shanghai 22 May 2012	RMB5,000,000	100%	100%	100%	100%	Human resource services	*b*
萬寶瑞華人才管理諮詢(北京)有限公司 Experis Management Consulting (Beijing) Co., Ltd.*	Beijing 12 January 2015	RMB500,000	100%	100%	100%	100%	Human resource services	*b*
Xi'an Fesco	Xi'an 29 May 1997	RMB2,000,000	60%	60%	60%	60%	Human resource services	*b*

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid capital/ registered capital	Equity interest attributable to the Company as at				Principal activities	*Notes*
			31 December			The date of this report		
			2016	2017	2018			
Guangzhou Reach	Guangzhou 13 February 2001	RMB18,000,000	60%	60%	N/A	N/A	Human resource services	*b, h*
清遠市銳旗人力資源服務有限公司	Qingyuan 8 March 2006	RMB2,000,000	60%	60%	N/A	N/A	Human resource services	*c, h*
廣州市銳旗企業管理諮詢有限公司	Guangzhou 27 April 2005	RMB1,000,000	60%	60%	N/A	N/A	Human resource services	*a, h*
深圳市銳旗勞務派遣有限公司	Shenzhen 10 June 2009	RMB2,000,000	60%	60%	N/A	N/A	Human resource services	*c, h*
上海萬寶銳旗市場營銷策劃有限公司	Shanghai 9 October 2012	RMB5,000,000	60%	60%	N/A	N/A	Marketing	*c, h*
中山市銳旗人力資源服務有限公司	Zhongshan 3 December 2008	RMB2,000,000	60%	60%	N/A	N/A	Human resource services	*c, h*
武漢市銳旗人力資源服務有限公司	Wuhan 24 February 2011	RMB3,000,000	60%	60%	N/A	N/A	Human resource services	*c, h*
廣州市奧潔營銷策劃有限公司	Guangzhou 24 February 2014	RMB3,000,000	60%	60%	N/A	N/A	Marketing	*a, h*
茂名市銳旗人力資源服務有限公司	Maoming 24 March 2008	RMB500,000	60%	60%	–	–	Human resource services	*a*
北京萬寶銳旗企業管理有限公司	Beijing 13 January 2005	RMB2,000,000	60%	60%	N/A	N/A	Human resource services	*c, h*
四川銳旗人力資源管理有限公司	Chengdu 9 August 2012	RMB5,000,000	60%	60%	N/A	N/A	Human resource services	*c, h*
上海萬寶銳旗企業管理有限公司	Shanghai 10 September 2012	RMB5,000,000	60%	60%	N/A	N/A	Human resource services	*c, h*
上海銳旗企業管理諮詢有限公司	Shanghai 28 March 2008	RMB5,000,000	60%	60%	N/A	N/A	Human resource services	*c, h*
常熟市萬寶銳旗市場營銷策劃有限公司	Changshu 26 September 2017	RMB20,000,000	–	60%	N/A	N/A	Marketing	*a, h*
睿仕管理諮詢(上海)有限公司 Right Management Consulting (Shanghai) Co., Ltd.*	Shanghai 20 January 2015	RMB5,000,000	100%	100%	100%	100%	Human resource services	*b*
Manpower Services HK	Hong Kong 6 January 1997	HK$66,982,831	100%	100%	100%	100%	Human resource services	*d, g*
ManpowerGroup Solutions Holdings Hong Kong Limited	Hong Kong 8 October 2014	HK$43,026,193	60%	60%	60%	60%	Investment holding	*d, g*
Legal Futures (HK) Limited	Hong Kong 20 September 2002	HK$10,000	51%	99.99%	99.99%	100%	Executive recruitment consultancy service	*e, g*

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid capital/ registered capital	Equity interest attributable to the Company as at				Principal activities	Notes
			31 December			The date of this report		
			2016	2017	2018			
Event Elite	Hong Kong 12 July 2000	HK$14,286	–	50.99%	50.99%	50.99%	Flexible staffing service	*d, g*
Manpower Services (Macau) Limited	Macau 26 July 2007	MOP300,000	99.7%	99.7%	99.7%	99.7%	Human resource services	*a*
Right Management Hong Kong Holdings Limited	Hong Kong 20 October 2014	HK$1	100%	100%	100%	100%	Outplacement and leadership development services	*d, g*
Manpower Outsourcing Services (Macau) Limited	Macau 6 July 2017	MOP25,000	–	96%	96%	96%	Human resource services	*a*
萬寶華企業管理顧問股份有限公司 Manpower Services (Taiwan) Co., Ltd.*	Taiwan 23 July 1997	Ordinary shares TWD10,000,000	60%	60%	60%	60%	Human resource services	*f*

* *For identification purposes only*

All subsidiaries now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

None of the subsidiaries had issued any debt securities at the end of each reporting period.

Notes:

(a) No audited statutory financial statements were prepared for these companies for each of the three years ended 31 December 2016, 2017 and 2018 as there were no statutory audit requirements for these companies or the first set of statutory financial statements were not yet due to issue.

(b) The statutory financial statements for each of the three years ended 31 December 2016, 2017 and 2018 were prepared in accordance with relevant accounting principles and financial regulations applicable in the PRC and were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP.

(c) The statutory financial statements for each of the two years ended 31 December 2016 and 2017 were prepared in accordance with relevant accounting principles and financial regulations applicable the PRC and were audited by Guangdong Zhongtianyue Certified Public Accountants Co, Ltd.

(d) The statutory financial statements for each of the two years ended 31 December 2016 and 2017 were prepared in accordance with HKFRSs and were audited by Deloitte Touche Tohmatsu.

(e) The statutory financial statements for each of the two years ended 31 December 2016 and 2017 were prepared in accordance with HKFRSs and were audited by Stella W.M. Kwok & Co. Certified Public Accountants.

(f) The statutory financial statements for each of the three years ended 31 December 2016, 2017 and 2018 were prepared in accordance with relevant accounting principles and financial regulations applicable in Taiwan and were audited by Deloitte & Touche.

(g) The statutory financial statements of these companies for the year ended 31 December 2018 have not been issued as they are not yet due to issue as at the date of this report.

(h) The Group's remaining 19.5% equity interest in these companies upon the disposal of Guangzhou Reach in December 2018 are no longer accounted for as subsidiaries. The remaining 19.5% equity interest in Guangzhou Reach is classified as equity instrument at FVTOCI.

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of a non-wholly-owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests as at 31 December			Profit allocated to non-controlling interests for year ended 31 December			Accumulated non-controlling interests as at 31 December		
		2016	2017	2018	2016	2017	2018	2016	2017	2018
					RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ManpowerGroup Solutions Holdings Hong Kong Limited	Hong Kong and Taiwan	40%	40%	40%	6,246	5,908	6,802	24,789	31,194	38,933
Individually immaterial subsidiaries with non-controlling interests					5,214	4,265	8,337	22,150	41,724	30,838
					11,460	10,173	15,139	46,939	72,918	69,771

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

ManpowerGroup Solutions Holdings Hong Kong Limited and its subsidiaries

	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Current assets	117,494	157,626	168,170
Non-current assets	2,365	4,364	8,944
Current liabilities	56,970	83,096	78,846
Non-current liabilities	919	911	933
Equity attributable to owners of the Company	37,181	46,789	58,402
Non-controlling interests of ManpowerGroup Solutions Holdings Hong Kong Limited	24,789	31,194	38,933

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Revenue	454,816	622,604	699,380
Expenses	439,200	607,834	682,376
Profit for the year	15,616	14,770	17,004
Profit attributable to owners of the Company	9,370	8,862	10,202
Profit attributable to the non-controlling interests of ManpowerGroup Solutions Holdings Hong Kong Limited	6,246	5,908	6,802
Profit for the year	15,616	14,770	17,004
Other comprehensive income attributable to owners of the Company	2,607	746	1,411
Other comprehensive income attributable to the non-controlling interests of ManpowerGroup Solutions Holdings Hong Kong Limited	1,738	497	937
Other comprehensive income for the year	4,345	1,243	2,348
Total comprehensive income attributable to owners of the Company	11,977	9,608	11,613
Total comprehensive income attributable to the non-controlling interests of ManpowerGroup Solutions Holdings Hong Kong Limited	7,984	6,405	7,739
Total comprehensive income for the year	19,961	16,013	19,352

	Year ended 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Dividends paid to non-controlling interests of ManpowerGroup Services Holdings Hong Kong Limited	–	–	–
Net cash inflow from operating activities	13,298	9,703	2,190
Net cash outflow from investing activities	(349)	(1,376)	(27,568)
Net cash inflow (outflow)	12,949	8,327	(25,378)

36. RESERVES OF THE COMPANY

	Share premium	(Accumulated losses) Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2016	489,965	(4,322)	485,643
Profit and total comprehensive income for the year	–	15,380	15,380
At 31 December 2016	489,965	11,058	501,023
Loss and total comprehensive expense for the year	–	(15,006)	(15,006)
At 31 December 2017	489,965	(3,948)	486,017
Profit and total comprehensive income for the year	–	142,977	142,977
Dividend paid	(6,405)	(142,079)	(148,484)
At 31 December 2018	483,560	(3,050)	480,510

37. SURETY BONDS AND CONTINGENT LIABILITY

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

At the end of each reporting period, the Group had outstanding performance bonds, for which restricted bank deposits and financial assets at FVTPL are pledged (Note 24), as follows:

	At 31 December		
	2016	2017	2018
	RMB'000	*RMB'000*	*RMB'000*
Issued by the banks	13,739	12,998	128,988

38. SUBSEQUENT EVENTS

Save as disclosed in the report, subsequent to 31 December 2018, the following significant events took place:

(i) On 5 June 2019, the Company has approved the issuance of 135,097,920 shares standing to the credit of the share premium of the Company conditional upon the share premium account of the Company being credited as a result of the offer of the shares by the Company, the directors of the Company were authorised to capitalise an amount of HK$1,350,979.2 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 135,097,920 shares, such shares to be allotted and issued to the shareholders as of the date of passing of the resolution on a pro rata basis. Details are set out in Appendix IV to the Prospectus.

(ii) The Company has conditionally approved and adopted the share option scheme ("Share Option Scheme") on 5 June 2019. Summaries of the principal terms of the Share Option Scheme are set out in the section headed "Statutory and General Information—D. Other Information—1. Share Option Scheme" in Appendix IV to the Prospectus.

39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of the companies comprising the Group have been prepared in respect of any period subsequent to 31 December 2018.

The information set forth in this appendix does not form part of the historical financial information of the Group for each of the three years ended 31 December 2018 (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The unaudited *pro forma* statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared in accordance with paragraph 4.29 of the Listing Rules is set out below to illustrate the effect of the proposed public offering and international offering of the shares of the Company ("Global Offering") on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 as if the Global Offering had taken place on such day.

The unaudited *pro forma* statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 or any future dates following the Global Offering.

The following unaudited *pro forma* statement of adjusted consolidated net tangible assets of the Group is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 as shown in the Accountants' Report as set out in Appendix I to this prospectus and adjusted as described below.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018	Estimated net proceeds from the Global Offering	Unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018	Unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 per Share	
	RMB'000 (*Note 1*)	*RMB'000* (*Note 2*)	*RMB'000*	*RMB* (*Note 3*)	*HK$* (*Note 4*)
Based on Offer Price of HK$9.9 per Offer Share	562,377	397,462	959,839	4.80	5.45
Based on Offer Price of HK$12.6 per Offer Share	562,377	513,267	1,075,644	5.38	6.11

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 is based on the consolidated net assets of the Group attributable to owners of the Company as at 31 December 2018 amounted to RMB652,938,000 extracted from the Accountants' Report set out in Appendix I to this prospectus and adjusted for goodwill and other intangible assets attributable to owners of the Company of approximately RMB69,310,000 and RMB21,251,000, respectively.

(2) The estimated net proceeds from the Global Offering are based on 50,000,000 Offer Shares to be issued at the Offer Price of lower limit and upper limit of HK$9.9 and HK$12.6 per Offer Share, after deduction of the estimated listing expenses (including underwriting fees and other related expenses) expected to be incurred by the Group subsequent to 31 December 2018 and does not take into account of any Shares (i) which may be allotted and issued upon the exercise of the Over-allotment Option, (ii) which may be allotted and issued upon the exercise of any options granted under the Share Option Scheme or (iii) which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix IV to the prospectus. For the purpose of calculating the estimated net proceeds from the Global Offering, the translation of Hong Kong dollars into RMB was made at the exchange rate of HK$1 to RMB0.880, which was the exchange rate prevailing on 18 June 2019 with reference to the rate published by the People's Bank of China. No representation is made that the HK$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or at any other rates or at all.

(3) The unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 per Share is calculated based on 200,000,000 Shares in issue immediately following the completion of the Global Offering and the Capitalization Issue. It does not take into account of any Shares (i) which may be allotted and issued upon the exercise of the Over-allotment Option, (ii) which may be allotted and issued upon the exercise of any options granted under the Share Option Scheme or (iii) which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix IV to the prospectus.

(4) The unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is converted from RMB into Hong Kong dollars at the rate of RMB0.880 to HK$1, which was the exchange rate prevailing on 18 June 2019 with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

(5) No adjustment has been made to the unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2018.

(6) The unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 does not take into account the dividend in an amount of approximately US$13.7 million (equivalent to approximately RMB94.2 million) declared on 5 June 2019 (the "Dividend"). United States dollars is converted into RMB at the exchange rate of US$1 to RMB6.890, which was the exchange rate prevailing on 5 June 2019 with reference to the rate published by the People's Bank of China. No representation is made that the US$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or at any other rates or at all.

For illustrative purpose, had the Dividend of RMB94.2 million been taken into account, the unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 and the unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 per Share would have been further adjusted as below, which is calculated based on 200,000,000 Shares in issue immediately following the completion of the Global Offering and the Capitalization Issue without taking into account of any Shares (i) which may be allotted and issued upon the exercise of the Over-allotment Option, (ii) which may be allotted and issued upon the exercise of any options granted under the Share Option Scheme or (iii) which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix IV to the prospectus:

	Unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 after taking into account of the Dividend	**Unaudited *pro forma* adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 after taking into account of the Dividend per Share**	
	RMB'000	*RMB*	*HK$ (Note 4)*
Based on Offer Price of HK$9.9 per Offer Share	865,602	4.33	4.92
Based on Offer Price of HK$12.6 per Offer Share	981,407	4.91	5.58

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of ManpowerGroup Greater China Limited

We have completed our assurance engagement to report on the compilation of unaudited *pro forma* financial information of ManpowerGroup Greater China Limited (formerly known as ManpowerGroup Greater China (Cayman) Limited) (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited *pro forma* financial information consists of the unaudited *pro forma* statement of adjusted consolidated net tangible assets as at 31 December 2018 and related notes as set out on pages II-1 to II-3 of Appendix II to the prospectus issued by the Company dated 27 June 2019 (the "prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited *pro forma* financial information are described on pages II-1 to II-3 of Appendix II to the prospectus.

The unaudited *pro forma* financial information has been compiled by the Directors to illustrate the impact of the proposed public offering and international offering of the shares of the Company (the "Global Offering") on the Group's financial position as at 31 December 2018 as if the Global Offering had taken place at 31 December 2018. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for the years ended 31 December 2016, 2017 and 2018, on which an accountants' report set out in Appendix I to the prospectus has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited *pro forma* financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of *Pro Forma* Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited *pro forma* financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of *Pro Forma Financial* Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited *pro forma* financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited *pro forma* financial information.

The purpose of unaudited *pro forma* financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited *pro forma* financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the unaudited *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited *pro forma* financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited *pro forma* financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited *pro forma* financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2019

SUMMARY OF THE CONSTITUTION OF THE COMPANY

1 Memorandum of Association

The Memorandum of Association of the Company was conditionally adopted on June 5, 2019 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

The Memorandum of Association is available for inspection at the address specified in Appendix V in the section headed "Documents Available for Inspection".

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on June 5, 2019 and include provisions to the following effect:

2.1 Classes of Shares

The share capital of the Company consists of ordinary shares. The capital of the Company at the date of adoption of the Articles is HK$15,200,000 divided into 1,520,000,000 shares of HK$0.01 each.

2.2 Directors

(a) Power to allot and issue Shares

Subject to the provisions of the Companies Law and the Memorandum and Articles of Association, the unissued Shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Companies Law and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

(b) Power to dispose of the assets of the Company or any subsidiary

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Companies Law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Law and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) Compensation or payment for loss of office

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

(d) Loans to Directors

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) Financial assistance to purchase Shares

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of Shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(f) Disclosure of interest in contracts with the Company or any of its subsidiaries

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being

avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

(i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:

(A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or

(B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of

the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(g) Remuneration

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

(h) Retirement, appointment and removal

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting, but shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation at such meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director). The Company may by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated:

(i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;

(ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;

(iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;

(iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;

(vi) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or

(vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) Borrowing powers

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

(j) Proceedings of the Board

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorized representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 Alteration of capital

The Company may, from time to time, whether or not all the shares for the time being authorized shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned,

and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Law; and

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorized and subject to any conditions prescribed by the Companies Law.

2.6 Special resolution – majority required

A "special resolution" is defined in the Articles of Association to have the meaning ascribed thereto in the Companies Law, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an "ordinary resolution" is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.7 Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorized in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorize such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorized, the authorisation shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house

(or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 Annual general meetings and extraordinary general meetings

The Company shall hold a general meeting as its annual general meeting each year, within a period of not more than 15 months after the holding of the last preceding annual general meeting (or such longer period as the Stock Exchange may authorize). The annual general meeting shall be specified as such in the notices calling it.

The board of Directors may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s). If the Directors do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to them by the Company.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Companies Law.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies Law or any other relevant law or regulation or as authorized by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

2.10 Auditors

The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

2.11 Notice of meetings and business to be conducted thereat

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and

(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Directors also have the power to provide in every notice calling a general meeting that in the event of a gale warning or a black rainstorm warning is in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Directors may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date. Where a general meeting is so postponed, the Company shall endeavour to cause a notice of such postponement to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, but failure to place or publish such notice shall not affect the automatic postponement of such meeting.

Where a general meeting is postponed:

(a) the Directors shall fix the date, time and place for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting; and such notice shall specify the date, time and place at which the postponed meeting will be reconvened and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and

(b) notice of the business to be transacted at the reconvened meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the reconvened meeting is the same as that set out in the notice of the original meeting circulated to the members of the Company.

2.12 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

(a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of shares;

(c) the instrument of transfer is properly stamped (in circumstances where stamping is required);

(d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;

(e) the shares concerned are free of any lien in favour of the Company; and

(f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.13 Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. Shares which have been repurchased will be treated as cancelled upon the repurchase.

2.14 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.15 Dividends and other methods of distribution

Subject to the Companies Law and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary

resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the members of the Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.16 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorized in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.17 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.18 Inspection of register of members

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

2.19 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.

Two members of the Company present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.20 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.21 Procedure on liquidation

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Companies Law, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Companies Law, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.22 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Law is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Law and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 26 September 2014 under the Companies Law. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorized share capital.

3 Share Capital

The Companies Law permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the "share premium account". At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law);

(d) writing-off the preliminary expenses of the company;

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and

(f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorized either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

4 Dividends and Distributions

With the exception of section 34 of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

8 Accounting and Auditing Requirements

The Companies Law requires that a company shall cause to be kept proper books of account with respect to:

(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(b) all sales and purchases of goods by the company; and

(c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

11 Special Resolutions

The Companies Law provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorized by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation,

which must then be authorized by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

19 Taxation

Pursuant to section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, the Company may obtain an undertaking from the Financial Secretary of the Cayman Islands:

(a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

  (i) on or in respect of the shares, debentures or other obligations of the Company; or

  (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2018 Revision).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

21 General

Maples and Calder (Hong Kong) LLP, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the section headed "Documents Available for Inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on September 26, 2014 and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 20, 2019. We have established a principal place of business in Hong Kong at Rooms 2303-04, 9 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong. Ms. Wong Yee Man has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, it operates subject to the Cayman Companies Law and its constitution comprising the Memorandum and the Articles. A summary of certain provisions of its constitution and relevant aspects of the company law of the Cayman Islands is set out in Appendix III to this prospectus.

2. Changes in the share capital of our Company

Our authorized share capital as of the date of our incorporation was US$50,000 divided into 50,000 shares of US$1 each. Upon incorporation, one subscriber Share was allotted and issued to the initial subscriber, an independent third party, who on the same date transferred that one Share to Manpower Holdings. On September 30, 2014, one Share was allotted and issued, credited as fully paid, to Manpower Nominees and our Company became then held as to 50% by each of Manpower Holdings and Manpower Nominees, respectively. On July 16, 2015, 5,429 Shares and 4,569 Shares were allotted and issued, credited as fully paid, to Manpower Holdings and Manpower Nominees, respectively, and our Company then became held as to 54.3% and 45.7% by Manpower Holdings and Manpower Nominee, respectively.

Pursuant to a share subscription agreement dated September 17, 2014 as amended on July 4, 2015 among CM Phoenix Tree, Manpower Holdings, Manpower Nominees and MAN, CM Phoenix Tree subscribed for and was allotted and issued 9,608 Shares on August 8, 2015. Since completion of the above allotment, our Company has been held as to approximately 27.69%, 23.31% and 49.00% by Manpower Holdings, Manpower Nominees and CM Phoenix Tree, respectively.

On January 18, 2019, the authorized share capital of the Company was redenominated from US$50,000 divided into 50,000 shares of US$1 each to HK$380,000 divided into 38,000,000 Shares of HK$0.01 each. The 5,430 Shares, 4,570 Shares and 9,608 Shares of US$1 each of our Company held by Manpower Holdings, Manpower Nominees and CM Phoenix Tree, respectively, were also converted into 4,126,800, 3,473,200 and 7,302,080 Shares of HK$0.01 each.

Pursuant to the written resolutions of our Shareholders passed on June 5, 2019, our authorized share capital was increased from HK$380,000 divided into 38,000,000 Shares of HK$0.01 each to HK$15,200,000 divided into 1,520,000,000 Shares of HK$0.01 each by the creation of an additional 1,482,000,000 Shares of HK$0.01 each.

Immediately following the completion of the Global Offering and the Capitalization Issue but not taking into account any Shares which may be issued upon the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme, the issued share capital of our Company will be 200,000,000 Shares, all fully paid or credited as fully paid and 1,320,000,000 Shares will remain unissued.

Save for the aforesaid and as mentioned in the paragraph headed "3. Resolutions in Writing of the Shareholders of our Company" below in this Appendix, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of the Shareholders of our Company

Pursuant to written resolutions of the Shareholders of our Company passed on June 5, 2019 and June 22, 2019:

(i) we approved and conditionally adopted the Memorandum of Association and the Articles of Association which will become effective from the Listing Date;

(ii) the authorized share capital of our Company was increased from HK$380,000 to HK$15,200,000 by the creation of an additional 1,482,000,000 Shares;

(iii) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue, Shares to be issued pursuant to the Global Offering and the Capitalization Issue and Shares to be issued as mentioned in this prospectus (including any additional Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme); (ii) the entering into of the Price Determination Agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date; (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

(1) the Global Offering was approved and our Directors were authorized to allot and issue the new Shares pursuant to the Global Offering;

(2) the Over-allotment Option was approved;

(3) the Share Option Scheme was approved; and

(4) conditional on the share premium account of our Company being credited as a result of the issue of the Offer Shares by our Company pursuant to the Global Offering, our Directors were authorized to capitalize an amount of HK$1,350,979.2 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 135,097,920 Shares, such Shares to be allotted and issued to our Shareholder(s) as of the date of the passing of the resolution on a pro rata basis.

(5) a general unconditional mandate was given to our Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or other similar arrangements or pursuant to a specific authority granted by the Shareholders in general meeting, unissued Shares not exceeding the aggregate of 20% of the number of issued Shares immediately following the completion of the Global Offering and Capitalization Issue (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first;

(6) a general unconditional mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the number of issued Shares immediately following the completion of the Global Offering and the Capitalization Issue (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first; and

(7) the general unconditional mandate mentioned in paragraph (5) above was extended by the addition to the number of issued Shares which may be allotted and issued or agreed conditionally or unconditionally to be

allotted and issued by our Directors pursuant to such general mandate of an amount representing the total number of issued Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (6) above.

4. Corporate Reorganization

The companies comprising our Group underwent the Reorganization in preparation for the Listing. For information relating to the Reorganization, please refer to the section headed "History, Development and Reorganization" in this prospectus.

5. Changes in share capital of subsidiaries

Our subsidiaries are referred to in the Accountants' Report in Appendix I to this prospectus. Save for the subsidiaries mentioned in the Accountants' Report and in the section headed "History, Development and Reorganization", our Company has no other subsidiaries.

Save as disclosed in this prospectus, there are no changes in share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

6. Repurchases of our Shares

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing is on the Main Board of the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions passed by the Shareholders of our Company on June 5, 2019 and June 22, 2019, a general unconditional mandate (the "**Buyback Mandate**") was granted to our Directors authorizing the repurchase of shares by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with the total number of Shares not exceeding 10% of the total number of Shares in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by an applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with our Articles and the laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in effect from time to time.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have general authority from our Shareholders to enable our Directors to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and its assets and/or its earnings per Share.

(c) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

It is presently proposed that any repurchase of Shares will be made out of the profits of our Company, the share premium amount of our Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the purchase over the par value of the Shares to be repurchased must be provided for, out of either or both of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, subject to the Cayman Companies Law, out of capital.

Our Directors do not propose to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company. However, there might be a material adverse impact on the working capital or gearing level as compared with the position disclosed in this prospectus in the event that the Buyback Mandate is exercised in full.

(d) Share capital

Exercise in full of the Buyback Mandate, on the basis of 200,000,000 Shares in issue immediately after the Listing (but not taking into account our Shares which may be issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme), could accordingly result in up to 20,000,000 Shares being repurchased by our Company during the period until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or

(iii) the date on which the Buyback Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(e) General

None of our Directors nor, to the best of their knowledge, information and belief, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), has any present intention to sell any Shares or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buyback Mandate in accordance with the Listing Rules, the Memorandum and the Articles of Association, and the applicable laws of the Cayman Islands.

No core connected person (as defined in the Listing Rules) has notified us that he/ she/it has a present intention to sell Shares to us, or has undertaken not to do so, if the Buyback Mandate is approved and exercised by the Directors.

If as a result of a securities repurchase pursuant to the Buyback Mandate, a shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Our Directors are not aware of any other consequences which may arise under the Takeovers Code if the Buyback Mandate is exercised.

If the Buyback Mandate is fully exercised immediately following completion of the Global Offering and the Capitalization Issue (but not taking into account our Shares which may be issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme), the total number of Shares which will be repurchased pursuant to the Buyback Mandate will be 20,000,000 Shares, being 10% of the total number of Shares based on the aforesaid assumptions. The percentage shareholding of our Controlling Shareholders will be increased to approximately 83.33% in aggregate of the issued share capital of our Company immediately following the full exercise of the Buyback Mandate. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of our Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public float under Rule 8.08 of the Listing Rules. However, our Directors have no present intention to exercise the Buyback Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

B. INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us or any of our subsidiaries within the two years preceding the date of this prospectus that are or may be material:

(a) a share purchase agreement dated July 4, 2017 entered into between Mr. Lee Chun Man, Mr. Yeung Cheung Sang, Manpower Services HK and Event Elite in respect of, among others, transfer of up to 7,286 and up to 4,856 shares of Event Elite from Mr. Lee Chun Man and Mr. Yeung Cheung Sang, respectively, representing approximately 51.0% and 34.0% equity interests in Event Elite, to Manpower Services HK in three tranches, with the completion of each tranche subject to the conditions precedent set out therein and the respective purchase price of the 1st, 2nd and 3rd tranche sale shares to be determined with reference to net profit of Event Elite for each of the years December 31, 2016 and 2018 and the year ending December 31, 2020, respectively;

(b) a shareholders' agreement dated July 4, 2017 entered into among Mr. Lee Chun Man, Mr. Yeung Cheung Sang, Manpower Services HK and Event Elite to regulate their rights and duties in Event Elite and to set out their respective rights and duties inter se and vis-à-vis Event Elite and the basis on which the business of Event Elite is to be managed;

(c) an equity transfer agreement dated April 20, 2018 entered into between Manpower China and Manpower Enterprise Management in respect of the transfer of 100% equity interest in Manpower Information Technology from Manpower Enterprise Management to Manpower China at a consideration of RMB1;

(d) an equity transfer agreement dated December 2, 2018 entered into among Manpower China, Mr. Yang Xihong and Guangzhou Reach in respect of the transfer of 40.5% equity interest in Guangzhou Reach from Manpower China to Mr. Yang Xihong at a consideration of RMB20,250,000;

(e) a shareholders' agreement dated December 2, 2018 entered into among Manpower China, Mr. Yang Xihong and Guangzhou Reach in relation to the exercise of the rights and performance of the obligations of Manpower China and Mr. Yang Xihong and certain other matters in relation to Guangzhou Reach;

(f) a share transfer agreement dated December 3, 2018 entered into among Ms. Chui Yuk Shan Lancy, Right Management HK and Manpower Services Macau in respect of the transfer of one share of Manpower Services Macau from Ms. Chui Yuk Shan Lancy to Right Management HK at a consideration of MOP1.00;

(g) a share transfer agreement dated December 3, 2018 entered into among Ms. Chui Yuk Shan Lancy, Right Management HK and Manpower Outsourcing Macau in respect of the transfer of one share of Manpower Outsourcing Macau from Ms. Chui Yuk Shan Lancy to Right Management HK at a consideration of MOP1.00;

(h) the Deed of Indemnity;

(i) the CPE Deed of Non-competition;

(j) the MAN Deed of Non-competition; and

(k) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights of Our Group

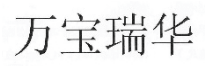
(a) Trademarks

As of the Latest Practicable Date, our Group have obtained license to use the following trademarks which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registration Number	Class	Name of registered proprietor	Place of registration	Date of registration	Expiry date
1.		9278718	9	MAN	PRC	July 21, 2015	July 20 , 2025
2.		9278717	16	MAN	PRC	August 28, 2015	August 27, 2025
3.		9278716	35	MAN	PRC	February 14, 2014	February 13, 2024
4.		9278715	41	MAN	PRC	January 14, 2016	January 13, 2026
5.		301868473	9, 16, 35, 41, 42	MAN	Hong Kong	March 24, 2011	March 23, 2021
6.		N/56718	9	MAN	Macau	September 26, 2011	September 26, 2025
7.		N/56719	16	MAN	Macau	September 26, 2011	September 26, 2025
8.		N/56720	35	MAN	Macau	September 26, 2011	September 26, 2025
9.		N/56721	41	MAN	Macau	September 26, 2011	September 26, 2025
10.		N/56722	42	MAN	Macau	September 26, 2011	September 26, 2025
11.		1518630	9, 16, 35, 41, 42	MAN	Taiwan	May 16, 2012	May 15, 2022
12.		13012325	35	MAN	PRC	December 28, 2014	December 27, 2024

No.	Trademark	Registration Number	Class	Name of registered proprietor	Place of registration	Date of registration	Expiry date
13.	Manpower	5047392	42	MAN	PRC	January 28, 2010	January 27, 2020
14.	Manpower	5047393	41	MAN	PRC	May 28, 2009	May 27, 2029
15.	Manpower	5047394	35	MAN	PRC	May 14, 2009	May 13, 2029
16.	Manpower	5047395	16	MAN	PRC	May 7, 2009	May 6, 2029
17.	Manpower	5047396	9	MAN	PRC	January 28, 2009	January 27, 2029
18.	Manpower	300541926	9, 16, 35, 41, 42	MAN	Hong Kong	December 5, 2005	December 4, 2025
19.	Manpower	N/44920	9	MAN	Macau	January 25, 2010	January 25, 2024
20.	Manpower	N/44921	16	MAN	Macau	January 25, 2010	January 25, 2024
21.	Manpower	N/44660	35	MAN	Macau	January 25, 2010	January 25, 2024
22.	Manpower	N/44922	41	MAN	Macau	January 25, 2010	January 25, 2024
23.	Manpower	N/44923	42	MAN	Macau	January 25, 2010	January 25, 2024
24.	Manpower	1242771	9, 16, 35, 41, 42	MAN	Taiwan	December 16, 2006	December 15, 2026
25.	MANPOWER	3650761	35	MAN	PRC	August 14, 2005	August 13, 2025

No.	Trademark	Registration Number	Class	Name of registered proprietor	Place of registration	Date of registration	Expiry date
26.	MANPOWER	4135007	41	MAN	PRC	February 7, 2009	February 6, 2029
27.	MANPOWER	4144485	42	MAN	PRC	September 28, 2007	September 27, 2027
28.	MANPOWER	2	1	MAN	Taiwan	November 1, 1973	October 31, 2023
29.	MANPOWER	16859	8	MAN	Taiwan	May 16, 1985	May 15, 2025
30.	MANPOWER	882128	16	MAN	Taiwan	February 1, 2000	January 31, 2020
31.	万宝盛华	5100391	9	MAN	PRC	December 28, 2008	December 27, 2028
32.	万宝盛华	5100390	16	MAN	PRC	May 14, 2009	May 13, 2029
33.	万宝盛华	5100389	35	MAN	PRC	April 21, 2009	April 20, 2029
34.	万宝盛华	13435631	35	MAN	PRC	March 14, 2016	March 13, 2026
35.	万宝盛华	5100393	41	MAN	PRC	December 21, 2009	December 20, 2019
36.	万宝盛华	13435630	41	MAN	PRC	May 21, 2016	May 20, 2026
37.	万宝盛华	31481756	35, 41	MAN	PRC	March 14, 2019	March 13, 2029
38.	万宝盛华	5100392	42	MAN	PRC	June 7, 2009	June 6, 2029
39.	Experis®	9207115	35	MAN	PRC	March 21, 2012	March 20, 2022
40.	Experis®	9207133	42	MAN	PRC	June 7, 2012	June 6, 2022
41.	Experis®	301845793	35, 42	MAN	Hong Kong	March 1, 2011	February 28, 2021
42.	Experis®	N/55107	35	MAN	Macau	July 7, 2011	July 7, 2025
43.	Experis®	N/55108	42	MAN	Macau	July 7, 2011	July 7, 2025

No.	Trademark	Registration Number	Class	Name of registered proprietor	Place of registration	Date of registration	Expiry date
44.		1506087	35, 42	MAN	Taiwan	February 16, 2012	February 15, 2022
45.		10485337	35	MAN	PRC	January 14, 2014	January 13, 2024
46.		10485336	42	MAN	PRC	April 7, 2014	April 6, 2024
47.		9258555	35	RMC of Illinois, Inc. *(Note)*	PRC	February 21, 2014	February 20, 2024
48.		9258554	41	RMC of Illinois, Inc. *(Note)*	PRC	June 14, 2012	June 13, 2022
49.		302018015	35, 41	RMC of Illinois, Inc. *(Note)*	Hong Kong	August 29, 2011	August 28, 2021
50.		1776308	35, 41	RMC of Illinois, Inc. *(Note)*	Taiwan	June 16, 2016	June 15, 2026
51.		15503850	35, 41	RMC of Illinois, Inc. *(Note)*	PRC	January 28, 2016	January 27, 2026
52.		15503849	35, 41	RMC of Illinois, Inc. *(Note)*	PRC	November 21, 2018	November 20, 2028
53.		17573529	35, 41	RMC of Illinois, Inc. *(Note)*	PRC	November 28, 2016	November 27, 2026
54.		9751788	35	RMC of Illinois, Inc. *(Note)*	PRC	September 28, 2012	September 27, 2022
55.	RIGHT MANAGEMENT	1249519	35	RMC of Illinois, Inc. *(Note)*	Taiwan	February 1, 2007	January 31, 2027

No.	Trademark	Registration Number	Class	Name of registered proprietor	Place of registration	Date of registration	Expiry date
56.	萬寶華	112889	35	MAN	Taiwan	September 1, 1999	May 15, 2028
57.	萬寶華	108438	41	MAN	Taiwan	May 1, 1999	November 30, 2027
58.	萬寶華	1512175	42	MAN	Taiwan	April 1, 2012	March 31, 2022
59.	萬寶華 万宝华	301911177	9, 16, 35, 41, 42	MAN	Hong Kong	May 9, 2011	May 8, 2021

Note: RMC of Illinois, Inc. is a subsidiary of MAN.

As of the Latest Practicable Date, our Group was the registered proprietor of the following trademarks which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registration Number	Class	Name of registered proprietor	Place of registration	Date of registration	Expiry date
1.	WOWtalk	18027013	38	Manpower Ruixin	PRC	November 14, 2016	November 13, 2026
2.	WOWtalk	16263203A	41	Manpower Ruixin	PRC	May 14, 2016	May 13, 2026
3.	WOWtalk	18027061	42	Manpower Ruixin	PRC	November 14, 2016	November 13, 2026

As of the Latest Practicable Date, we have obtained license to use the following trademarks which are under application and, in the opinion of our Directors, are material to our business:

No.	Trademark	Application Number	Class	Name of applicant	Place of application	Date of application
1.	ManpowerGroup 万宝盛华	34484580	35, 41	MAN	PRC	November 6, 2018 (1)
2.	A 萬寶盛華 B 万宝盛华	304725243	35, 41	MAN	Hong Kong	November 6, 2018 (2)
3.	A ManpowerGroup 萬寶盛華 B ManpowerGroup 万宝盛华	304725234	35, 41	MAN	Hong Kong	November 6, 2018 (2)

Notes:

(1) As advised by our PRC Legal Advisers, according to the Trademark Law of the PRC, trademark registration in PRC mainly goes through the process of application, acceptance, preliminary examination, announcement and approval. Based on the public search at the official website of Trademark Office of National Intellectual Property Administration, MAN submitted the application for trademark registration on November 6, 2018, and obtained the Notice of Acceptance on December 12, 2018. On April 27, 2019, MAN made a preliminary examination and announcement. The announcement period is three months. If there is no objection to the expiration of the announcement period, such registration will be approved according to the Trademark Law of the PRC. Based on the public search at the official website of Trademark Office of National Intellectual Property Administration, no objection has been raised to the trademark registration application so far. Based on the above, our PRC Legal Advisers are of the view that there will be no legal impediment for the application and registration of such trademark.

(2) The Hong Kong Legal Counsel is of the view that MAN is not subject to legal impediment in the application of the registration of the two sets of trademarks to the Trade Marks Registry of Hong Kong above as (i) no similar or same trademarks have been registered to or applied for by another trader to the Trade Marks Registry; (ii) no objections or adverse opinions were issued from the Intellectual Property Department to MAN in relation to the registration since the submission of the registration applications; (iii) the trademarks concerned are distinctive from others; and not describing the goods, services or the quality which will be objected by the Trade Marks Registry; (iv) no opposition notice were received since the publication date; and (v) there was no legal impediment for MAN's previous applications.

(b) Copyrights

As of the Latest Practicable Date, our Group was the registered proprietor of the following copyrights which, in the opinion of our Directors, are material to our business:

No.	Copyright	Type	Registration number	Name of registered proprietor	Place of registration	Date of registration
1.	Manpower billing system [Abbrev.: IBillpay] V4.2.12 (萬寶盛華結算系統[簡稱：IBillpay] V4.2.12)	Software	2013SR149035	Manpower China	PRC	July 11, 2013
2.	Manpower customer relation management system [Abbrev.: IOperation] V1.0.0 (萬寶盛華客戶關係管理系統[簡稱：IOperation] V1.0.0)	Software	2013SR149694	Manpower China	PRC	July 31, 2013
3.	Manpower cloud billing system [Abbrev.: ICloud] V4.5.1 (萬寶盛華雲結算系統[簡稱：ICloud] V4.5.1)	Software	2013SR113608	Manpower China	PRC	June 6, 2013

No.	Copyright	Type	Registration number	Name of registered proprietor	Place of registration	Date of registration
4.	Tian Tian You Cai recruitment system [Abbrev.: Tian Tian You Cai]1.3.0 (天天有才招聘系統[簡稱：天天有才]1.3.0)	Software	2019SR0108410	Manpower China	PRC	September 3, 2018

(c) Domain names

As of the Latest Practicable Date, our Group was the registered proprietor of the following domain names which, in the opinion of our Directors, are material to our business:

No.	Domain name	Name of Registered Proprietor	Date of Registration	Expiry Date
1.	manpower.com.cn	Experis Shanghai	June 2, 2003	July 2, 2020
2.	experis.com.cn	Manpower China	October 25, 2008	October 25, 2019
3.	manpowercare.com	Manpower China	December 7, 2016	December 7, 2019
4.	manpowergroupgrc.com	Manpower China	October 22, 2018	October 22, 2019
5.	wowtalk.com	Manpower Ruixin	October 9, 2005	October 10, 2022
6.	woskill.com	Manpower Ruixin	September 29, 2016	September 29, 2019
7.	manpower.com.hk	Manpower Services HK	July 11, 1997	April 19, 2022
8.	manpower.com.mo	Manpower Services Macau	November 28, 2007	November 28, 2020
9.	manpowergroupgrc.hk	Manpower Services HK	October 23, 2018	October 23, 2019
10.	manpower.com.tw	Manpower Services Taiwan	November 14, 2000	January 17, 2023
11	manpowergroupgrc.tw	Manpower Services Taiwan	October 23, 2018	October 25, 2019

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Disclosure of Interests – Interests and short positions of the Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations

Immediately following completion of the Global Offering and the Capitalization Issue and assuming that the Over-allotment Option and any options which may be granted under the Share Option Scheme are not exercised and without taking into account Shares to be allotted, none of our Directors or chief executives of our Company will hold any interests or short positions in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, once our Shares are listed.

(b) Particulars of service agreements and letters of appointment

Our executive Director has entered into a service agreement with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

Each of our non-executive Directors and independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years and one year respectively commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

(c) Directors' remuneration

Each of our executive Director and non-executive Directors is entitled to a remuneration and shall be paid on the basis of a twelve-month year. During the year ended December 31, 2018, the aggregate remuneration (including fees, salaries, allowances and other benefits, retirement benefits scheme contributions and performance related bonus, allowances and other benefits in kind) paid to our Directors was approximately RMB5.5 million. For details, please refer to note 13 of the Accountants' Report set out in Appendix I to this prospectus.

Each of our independent non-executive Directors has been appointed for a term of one year. We intend to pay a director's fee of HK$240,000 per annum to each of our independent non-executive Directors. Save for directors' fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Under the arrangement currently in force, the aggregate remuneration (including fees, salaries, bonus, share-based payments, contributions to retirement benefits scheme, allowances and other benefits in kind) of our Directors for the year ending December 31, 2019 is estimated to be no more than RMB7.75 million.

2. Substantial Shareholders

So far as our Directors are aware, immediately following the completion of the Global Offering and the Capitalization Issue assuming that the Over-allotment Option and any options which may be granted under the Share Option Scheme are not exercised, the following persons (other than our Directors and chief executives of our Company) will have or be deemed or taken to have an interest and/or short position in our Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Name of Shareholder	Name of Interest	Number of Shares	Approximate percentage of shareholding[(1)]
Manpower Holdings, Inc.	Beneficial owner	41,539,168	20.77%
Manpower Nominees Inc.	Beneficial owner	34,960,220	17.48%
ManpowerGroup Inc.[(2)]	Interest in controlled corporations	76,499,388	38.25%
CM Phoenix Tree Limited[(3)]	Beneficial owner	73,500,612	36.75%
CM Phoenix Tree II Limited [(3)]	Interest in controlled corporation	73,500,612	36.75%
CPEChina Fund II, L.P.[(3)]	Interest in controlled corporation	73,500,612	36.75%
CITIC PE Associates II, L.P. [(3)]	Interest in controlled corporation	73,500,612	36.75%

Name of Shareholder	Name of Interest	Number of Shares	Approximate percentage of shareholding[1]
CITIC PE Funds II Limited [3]	Interest in controlled corporation	73,500,612	36.75%
CITICPE Holdings Limited[3]	Interest in controlled corporation	73,500,612	36.75%
CLSA Global Investments Management Limited[3]	Interest in controlled corporation	73,500,612	36.75%
CLSA, B.V. [3]	Interest in controlled corporation	73,500,612	36.75%
CITIC Securities International Company Limited[3]	Interest in controlled corporation	73,500,612	36.75%
CITIC Securities Company Limited[4]	Interest in controlled corporation	73,500,612	36.75%

Note:

(1) The calculation is based on the total number of 200,000,000 Shares in issue immediately after completion of the Global Offering (without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme).

(2) Manpower Holdings, Inc. and Manpower Nominees Inc. are wholly owned by ManpowerGroup Inc. and therefore ManpowerGroup Inc. is deemed to be interested in the Shares held by Manpower Holdings, Inc. and Manpower Nominees Inc..

(3) CM Phoenix Tree Limited is owned as to approximately 91.17% by CM Phoenix Tree II Limited. CM Phoenix Tree II Limited is owned as to approximately 86.33% by CPEChina Fund II, L.P.. The general partner of CPEChina Fund II, L.P. is CITIC PE Associates II, L.P., an exempted limited partnership registered under the laws of the Cayman Islands whose general partner is CITIC PE Funds II Limited. CITIC PE Funds II Limited is wholly owned by CITICPE Holdings Limited, which is held as to 35% by CLSA Global Investments Management Limited. CLSA Global Investments Management Limited is wholly owned by CLSA, B.V., which is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities Company Limited, a company listed on both the Stock Exchange and the Shanghai Stock Exchange. Therefore, each of CM Phoenix II Limited, CPEChina Fund II, L.P., CITIC PE Associates II, L.P., CITIC PE Funds II Limited, CITIC PE Holdings Limited, CLSA Global Investments Management Limited, CLSA, B.V., CITIC Securities International Limited and CITIC Securities Company Limited is deemed to be interested in the Shares held by CM Phoenix Tree Limited.

For details of other persons who will be, directly or indirectly, interest in 10% of more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the member(s) of our Group, please refer to the section headed "Substantial Shareholders—Long Positions in Shares of Other Member(s) of Our Group" in this prospectus.

3. Agency fees or commissions received

Save as disclosed in this prospectus, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

4. Disclaimers

Save as disclosed this prospectus:

(a) none of our Directors or chief executives of our Company has any interest or short position in our Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once our Shares are listed;

(b) none of our Directors or experts referred to under the paragraph headed "– D. Other Information – 8. Qualification of experts" in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors or experts is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) taking no account of Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(f) none of the experts referred to under the paragraph headed "– D. Other Information – 8. Qualification of experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(g) so far as is known to our Directors as of the Latest Practicable Date, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our Shareholders passed on June 5, 2019.

(a) Purpose

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

(i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of our Group; and

(ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

(b) Who may join

The Board may, at its discretion and upon unanimous approval by all Directors, offer to grant an option to the following persons (collectively the "**Eligible Participants**") to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (f) below:

(i) any full-time or part-time employees, executives or officers of our Group; and

(ii) any directors (including non-executive directors and independent nonexecutive directors) of our Group.

Upon acceptance of the option, a grantee shall pay HK$1.00 to our Company by way of consideration for the grant.

(c) Acceptance of an offer of options

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance or payment in favor of our Company of HK$1.00 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such remittance or payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option in the manner as set out above. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (n), (o) and (p), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance or payment for the full amount of the exercise price for our Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance or payment and, where appropriate, receipt of the certificate by the auditors to our Company or the approved independent financial adviser as the case may be pursuant to paragraph (r), our Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of our Shares so allotted.

The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorized share capital of our Company.

(d) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), being 20,000,000 Shares, excluding for this

purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

(i) renew this limit at any time to 10% of our Shares in issue as at the date of the approval by our Shareholders in general meeting; and/or

(ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by our Company to our Shareholders shall contain the information required under the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (r) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30% of our Shares in issue from time to time. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (r) below whether by way of consolidation, capitalization issue, rights issue, sub-division or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(e) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of our Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

(i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under the Listing Rules; and

(ii) the approval of our Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a core connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before our Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of our Shares.

The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:

(1) the Eligible Participant's name, address and occupation;

(2) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;

(3) the date upon which an offer for an option must be accepted;

(4) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (c);

(5) the number of Shares in respect of which the option is offered;

(6) the subscription price and the manner of payment of such price for our Shares on and in consequence of the exercise of the option;

(7) the date of the expiry of the option as may be determined by the Board;

(8) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (c); and

(9) other terms and conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised (which shall not be less than one year from the date of grant) and/or any performance targets which must be achieved before the option can be exercised) relating to the offer of the option which in the opinion of the Board are fair and reasonable but not being inconsistent with Share Option Scheme and the Listing Rules.

(f) Price of Shares

Subject to any adjustments made as described in paragraph (r) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

(i) the official closing price of our Shares as stated in the Stock Exchange's daily quotation sheets on the date of offer of the option, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

(ii) the average of the official closing prices of our Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer of the option; and

(iii) the nominal value of a Share.

(g) Granting options to a director, chief executive or substantial shareholder of our Company or any of their respective associates

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of our Company or any of their respective associates (as defined in the Listing Rules) is required to be approved unanimously by all Directors including the independent non-executive Directors (excluding any Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director (or any of their respective associates (as defined in the Listing Rules)) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of our Shares in issue on the date of offer of the option; and

(ii) having an aggregate value in excess of HK$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of our Shares at the date of each offer of the option,

such further grant of options will be subject to, in addition to the approval of all the Directors, the issue of a circular by our Company and the approval of our Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of our Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by our Company to our Shareholders pursuant to the above paragraph shall contain the following information:

(i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before our Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;

(ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;

(iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and

(iv) the information required under Rule 2.17 of the Listing Rules.

(h) Restrictions on the times of grant of Options

A grant of options shall not be made after inside information has come to the knowledge of our Company until it has announced such inside information pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options shall be granted during the period commencing one month immediately preceding the earlier of:

(i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's annual results half-year, quarterly or other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for our Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules)

and ending on the date of actual publication of the results announcement, and where an option is granted to a Director:

(iii) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(iv) no option shall be granted during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) Rights are personal to grantee

An option and an offer to grant an option shall be personal to the grantee and shall not be transferrable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name our Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

(j) Time of exercise of Option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(k) Performance target

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(l) Rights on ceasing employment or death

If the grantee of an option ceases to be an Eligible Participant

(i) by any reason other than death or termination of his/her employment on the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation of being an Eligible Participant (to the extent not already exercised) within a period of one month from such cessation (which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not); or

(ii) by reason of death, his/her personal representative(s) may exercise the option within a period of 12 months from such cessation to exercise the Option in full (to the extent not already exercised).

(m) Rights on dismissal

If the grantee of an option ceases to be an employee of our Group on the grounds that he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty or in relation to an employee of our Group (if so determined by the Board), or has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally, or on any other ground on which an employee would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group, his/her option will lapse automatically and not be exercisable after the date of termination of his/her employment.

(n) Rights on takeover

If a general offer is made to all our Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(o) Rights on winding-up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or in the case of the death of the Grantee, his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options at any time not later than two business days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance or payment for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

(p) Rights on compromise or arrangement between our Company and its members or creditors

If a compromise or arrangement between our Company and its members and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the Companies Law, our Company shall give notice thereof to all the

grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement, and thereupon any grantee may by notice in writing to our Company accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given, exercise the option to its full extent or in part at any time prior to 12:00 noon (Hong Kong time) on the business day immediately prior to the date of the proposed meeting.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement is not approved by the relevant court, the rights of grantees to exercise their respective options shall with effect from the date at the making of the order by the relevant court be restored in full but only upon the extent not already exercised and shall become exercisable.

(q) Ranking of Shares

Our Shares to be allotted upon the exercise of an option will not carry voting, dividend or other rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options shall be subject to all the provisions of the Articles and shall carry the same rights in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

(r) Effect of alterations to capital

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer (if there is a price dilutive element), consolidation, sub-division or reduction of share capital of our Company, or otherwise howsoever, such corresponding alterations (if any) shall be made (except on an issue of securities of our Company as consideration in a transaction) in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of our Company or an independent financial adviser shall certify in writing to the Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of our Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrations and their certificate shall, in absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(s) Expiry of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

(i) the date of expiry of the option as may be determined by the Board;

(ii) the expiry of any of the periods referred to in paragraphs (l), (n), (o) or (p);

(iii) the date on which the scheme of arrangement of our Company referred to in paragraph (p) becomes effective;

(iv) subject to paragraph (o), the date of commencement of the winding-up of our Company;

(v) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or contract on any one or more of the grounds that he or he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty, or in relation to an employee of our Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employee would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group. A resolution of the Board or the board of directors of the relevant subsidiaries to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or

(vi) the date on which the Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

(t) Alteration of the Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

(i) any proposal to amend the unanimous Board approval requirement for the grant of options under paragraphs (b) and (g) above shall be approved by our Shareholders in a general meeting by way of simple resolution;

(ii) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and

(iii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted, except any alterations which take effect automatically under the terms of the Share Option Scheme, shall first be approved by our Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

(u) Cancellation of Options

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (i).

(v) Termination of the Share Option Scheme

Our Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(w) Administration of the Board

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

(x) Condition of the Share Option Scheme

The adoption of the Share Option Scheme is conditional on:

(i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in our Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme;

(ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;

(iii) the commencement of dealings in our Shares on the Stock Exchange.

If the conditions in paragraph (x) above are not satisfied within six calendar months from the Adoption Date:

(i) the Share Option Scheme shall forthwith determine;

(ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and

(iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

(y) Disclosure in annual and interim reports

Our Company will disclose details of the Share Option Scheme or other scheme of our Group including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

(z) Present status of the Share Option Scheme

As of the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in our Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 20,000,000 Shares in total.

2. Tax and other indemnities

MAN and CM Phoenix Tree have entered into the Deed of Indemnity in favor of our Company (for itself and as trustee for each of its subsidiaries) (being the contract referred to in paragraph (h) of the section headed "B. – Information about Our Business – 1. Summary of material contracts" above) to provide indemnities on a several basis in respect of taxation which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received on or before the Listing Date.

3. Litigation

Save as disclosed in the section headed "Business – Legal Proceedings and compliance" as of the Latest Practicable Date, we were not aware of any other litigation or arbitration proceedings of material importance pending or threatened against us or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

4. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option and any Shares which may be issued upon the exercise of any options granted under the Share Option Scheme).

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor's fees are US$900,000 and are payable by our Company.

5. Preliminary Expenses

The preliminary expenses incurred and paid by our Company were approximately US$9,899.

6. Promoter

The Company has no promoter for the purpose of the Listing Rules. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

7. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. Our Directors have been advised that no material liability or estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our Group.

(b) Cayman Islands

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares.

(c) Consultation with professional advisers

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications or subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

8. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	Licensed under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
Tian Yuan Law Firm	Legal advisors to our Company as to PRC law
Maples and Calder (Hong Kong) LLP	Legal advisors to our Company as to Cayman Islands law
Mr. Clay Huen	Hong Kong barrister-at-law
Lee and Li, Attorneys-at-Law	Legal advisors to our Company as to Taiwan law
MdME | Lawyers	Legal advisors to our Company as to Macau law
China Insights Consultancy Limited	Industry consultant

9. Consents of Experts

Each of the experts named in paragraph 7 of this Appendix has given and has not withdrawn its respective written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion made on the date of this prospectus and/or the references to its name included herein in the form and context in which it is respectively included.

10. Interests of experts in our Company

None of the persons named in paragraph 7 of this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Miscellaneous

(a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) save as disclosed in this prospectus, there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2018 (being the date which the latest audited consolidated financial information of our Group were made up);

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(e) the principal register of members of our Company will be maintained in the Cayman Islands by Maples Fund Services (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Hong Kong Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;

(f) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(g) our Directors have been advised that under Cayman Islands law the use of a Chinese name by our Company in conjunction with our English name does not contravene Cayman Islands law;

(h) save as disclosed in this prospectus, our Company has no outstanding convertible debt securities or debentures;

(i) there is no arrangement under which future dividends are waived or agreed to be waived; and

(j) there is no restriction affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.

13. Bilingual prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption from Companies and Prospectuses from Compliance Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the **WHITE, YELLOW AND GREEN** Application Forms;

(b) the written consents referred to in the section headed "D. Other Information—9. Consents of experts" in Appendix IV to this prospectus; and

(c) a copy of each of the material contracts referred to in the section headed "B. Information About Our Business—1. Summary of Material Contracts" in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Sidley Austin at Level 39, Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and the Articles;

(b) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus;

(c) the report from Deloitte Touche Tohmatsu in respect of the unaudited *pro forma* financial information, the text of which is set out in Appendix II to this prospectus;

(d) the audited consolidated financial statements of our Group for the three financial years ended December 31, 2018;

(e) the PRC legal opinion issued by Tian Yuan Law Firm, our PRC Legal Advisors, in respect of general matters and property interests of our Group;

(f) the letter of advice from Maples and Calder (Hong Kong) LLP, our Cayman Islands legal advisors, summarizing the constitution of our Company and certain aspects of Cayman Companies Law in Appendix III to this prospectus;

(g) the Hong Kong legal opinion issued by Mr. Clay Huen, our Hong Kong Legal Counsel, in respect of certain aspects of our Group in Hong Kong;

(h) the Taiwan legal opinion issued by Lee and Li, Attorneys-at-Law, our Taiwan Legal Advisors, in respect to certain aspects of our Group in Taiwan;

(i) the Macau legal opinion issued by MdME | Lawyers, our Macau Legal Advisors, in respect to certain aspects of our Group in Macau;

(j) the CIC Report;

(k) the Cayman Companies Law;

(l) the material contracts referred to in the section headed "B. Information about Our Business—1. Summary of Material Contracts" in Appendix IV to this prospectus;

(m) the service agreement and letters of appointment with each of the Directors referred to in the section headed "C. Further Information about Directors and Substantial Shareholders—1. Directors—(b) Particulars of service agreements and letters of appointment" in Appendix IV to this prospectus;

(n) the written consents referred to in the section headed "D. Other Information—9. Consents of experts" in Appendix IV to this prospectus; and

(o) the rule of the Share Option Scheme.



ManpowerGroup®