ANNUAL REPORT 2024

ManpowerGroup®

万宝盛华大中华有限公司

MANPOWERGROUP GREATER CHINA LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock code: 2180

CONTENT

Corporate Profile

ManpowerGroup Greater China Limited ("Manpower GRC" or the "Company" and together with its subsidiaries, the "Group") provides comprehensive workforce solutions and other human resource ("HR") services to clients located in each market in Greater China, namely, the People's Republic of China ("PRC" or "China" or "Mainland China"), Hong Kong Special Administrative Region of the PRC ("Hong Kong"), Macau Special Administrative Region of the PRC ("Macau") and Taiwan (collectively referred as "Greater China Region"). The Group's largest stakeholder, ManpowerGroup Inc. ("MAN"), is a New York Stock Exchange-listed world leader in workforce solutions and services, which first tapped into the Greater China Region in 1997, when it commenced operations in Hong Kong and Taiwan and subsequently entered Mainland China in 2003 and Macau in 2007. As at 31 December 2024, the Group served a broad range of corporate and government clients in over 280 cities in the Greater China markets, operating over 40 offices.

Inheriting MAN's global reputation, the Group, with 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. During the year ended 31 December 2024, the Group had served over 260 Fortune 500 companies and prominent local public and private employers.

Over the years, the Group has sustained a good financial performance and generated reasonable returns for its shareholders. On 10 July 2019, Manpower GRC was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with the stock code 2180 (the "Listing"). Having strong support from MAN, Manpower GRC keeps on providing tailored solutions to its clients and expanding its business scale and market share and is well positioned to capture the robust growth potential in the HR services market.

Corporate Information

BOARD OF DIRECTORS

Executive Director
Mr. CUI Zhihui

Non-executive Directors
Mr. John Thomas MCGINNIS *(Chairman)*
Mr. ZHANG Yinghao
Mr. Colin Patrick Alan JONES
Mr. ZHANG Qi
(appointed with effect from 28 August 2024)
Mr. ZHAI Feng
(resigned with effect from 28 August 2024)

Independent Non-executive Directors
Mr. Thomas YEOH Eng Leong
Ms. WONG Man Lai Stevie
Mr. Victor HUANG

AUDIT COMMITTEE
Mr. Victor HUANG *(Chairman)*
Mr. Colin Patrick Alan JONES
Mr. ZHANG Qi
(appointed with effect from 28 August 2024)
Mr. ZHAI Feng
(resigned with effect from 28 August 2024)
Mr. Thomas YEOH Eng Leong
Ms. WONG Man Lai Stevie

REMUNERATION COMMITTEE
Mr. Thomas YEOH Eng Leong *(Chairman)*
Mr. John Thomas MCGINNIS
Mr. ZHANG Yinghao
Ms. WONG Man Lai Stevie
Mr. Victor HUANG

NOMINATION COMMITTEE
Ms. WONG Man Lai Stevie *(Chairman)*
Mr. John Thomas MCGINNIS
Mr. ZHANG Yinghao
Mr. Thomas YEOH Eng Leong
Mr. Victor HUANG

INVESTMENT COMMITTEE
Mr. John Thomas MCGINNIS *(Chairman)*
Mr. ZHANG Yinghao
Mr. CUI Zhihui

AUDITOR
Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place, 88 Queensway
Hong Kong

LEGAL ADVISORS
CFN Lawyers
Maples and Calder (Hong Kong) LLP

JOINT COMPANY SECRETARIES
Ms. TSUI Sum Yi
Ms. GAO Xingyue

AUTHORISED REPRESENTATIVES
Mr. CUI Zhihui
Ms. TSUI Sum Yi

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Hong Kong

Corporate Information

PRINCIPAL SHARE REGISTRAR IN CAYMAN ISLANDS

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Cayman Islands

HONG KONG SHARE REGISTRAR

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REGISTERED OFFICE

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KY1-1104
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PRINCIPAL BANKS

Shanghai Securities Building branch,
Industrial and Commercial Bank of China

The Hongkong and Shanghai Banking
Corporation Limited

WEBSITE

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STOCK CODE

2180

INVESTOR RELATIONS CONTACTS

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The Wonderful Sky Financial Group Holdings Limited
Email: manpowergrc@wsfg.hk

Financial Highlights

The below table sets out the key financial highlights of the Group for the year ended 31 December 2024:

	For the year ended 31 December 2024 (RMB'000)	2023 (RMB'000)	Change in percentage %
Revenue	**6,270,538**	5,303,592	18.2
Growth rate of Mainland China flexible staffing revenue	**27%**	25%	2
Profit attributable to owners of the Company	**129,848**	126,476	2.7
Adjusted profit attributable to owners of the Company	**145,621**	135,079	7.8
Average revenue generated per employee	**5,619**	4,124	36.3
Number of full time employees	**1,116**	1,286	(13.2)
Number of associates	**55,300**	54,000	2.4

Management Discussion and Analysis

BUSINESS REVIEW

In 2024, the global economy continued to navigate an environment of heightened uncertainty, marked by ongoing geopolitical tensions, sustained inflationary pressures, and challenging market dynamics. Within this context, China's economic recovery was further complicated by a series of hurdles, including weak domestic demand, a protracted property sector transformation, and subdued consumer sentiment, all of which hindered the overall economic recovery.

Amidst this complex backdrop, the Group has continued to demonstrate resilience and agility by consistently delivering quality growth. Underpinned by the management's profound understanding of the nature of the business and adaptability in challenging market conditions, the Group has effectively enhanced operational efficiency by leveraging the economies of scale, mitigated operational risks with commitment to prudent financial management, and significantly boosted financial performance with per employee revenue and profit generation increasing by 131% and 23%, respectively, for the past five years since its initial public offering.

For the year ended 31 December 2024 ("Reporting Period"), the Group achieved a total revenue of RMB6,271 million, representing an increase of approximately 18.2% compared to the same period of 2023 despite a 26.7% year over year decrease of the recruitment and solutions segment due to weak macroeconomy and muted demand across the region. Revenue generated from flexible staffing business segment grew by approximately 19.7% on a year over year basis to RMB6,133 million, of which flexible staffing revenue from Mainland China recorded another year of strong growth of 26.8% despite challenging market conditions. Business in Hong Kong achieved substantial revenue growth of 34.1% during the year thanks to the pickup of flexible staffing business mainly from local government projects and expansion of Chinese companies into the region. Taiwan's revenue decreased by 13.6% year over year as the region continued to have been negatively impacted by weak economy and shift away of production.

During the Reporting Period, net profit attributable to owners of the Company increased to RMB129.8 million, representing a growth of approximately 2.7% year over year. Adjusted net profit attributable to owners of the Company, after taking into account of the stock option expenses, restricted share unit expenses, impairment losses recognised in respect of interests in associates, property and equipment and others, increased to RMB145.6 million by approximately 7.8% on a year over year basis. A final dividend for the year ended 31 December 2024 of HK$0.31 per ordinary share (equivalent to RMB0.29 per share), representing approximately 45% of the Group's earnings per share, has been proposed by the directors of the Company (the "Directors").

The Group continued to expand its service offerings in Mainland China, particularly in the flexible staffing business with State-Owned Enterprises ("SOE") clients and in the financial services sector. In addition, the Group has been building up its IT Outsourcing ("ITO") business segment and has further extended its product portfolio in the view of providing comprehensive services.

In line with its business strategy, the Group has further expanded the scale of its flexible staffing business during the year. The total number of associates placed during the Reporting Period increased by 2.4% from approximately 54,000 at the end of 2023 to around 55,300 by the end of 2024, among which the total number of associates placed in Mainland China grew robustly by approximately 12.8% despite weak market demand.

During the Reporting Period, the Group continued to consolidate its business in central, western, and eastern China, such as Wuhan, Chengdu and Hangzhou, and enhanced its market competitiveness in tier-one cities such as Shanghai, Beijing, Guangzhou and Hong Kong. By implementing active cost management measures and optimising operational efficiency, the Group increased per employee revenue and profit generation by 36.3% and 16.4%, respectively, on a year over year basis during the year. Moreover, the Group continued to demonstrate its outstanding cash flow management and risk control capabilities. Turnover days of trade receivables increased to 60.4 days for the Reporting Period from 52 days of that of last year, mainly due to much higher-than-average sales in the last few months of the year and minor extension of receivable days from a few clients.

In view of the industry trend of digitalisation, the Group continued to upgrade its internal technological platforms and infrastructure and optimise working procedures to achieve higher operational efficiency.

The Group's efforts in providing customised and professional services to its clients in the Greater China region have been recognised with a number of awards, including "2024 Top 100 Human Resources Organization" (「2024人力資源服務機構100強」) by TopHR, "2024 Flexible Staffing HR Selection Service Agency – Service Industry" (「2024靈活用工HR臻選服務機構－服務業」) by HREC, and "AAA Enterprise Credit Evaluation" (「信用評價AAA級信用企業」) by China Software Industry Association.

OUTLOOK & STRATEGY

Remain Cautiously Optimistic for 2025, More Upside in the Medium Term

Looking ahead to 2025, the global economy will likely continue to confront a multitude of uncertainties and challenges, including geopolitical tensions, supply chain disruptions, and inflationary pressures. Within this context, China's economy is still undergoing a structural transformation and will face hurdles such as weak domestic demand and potential trade disputes, etc.. That being noted, nevertheless, we are more optimistic about the outlook in the medium term backed by enhanced policy stimulus, a gradual resurgence in domestic consumption, and continued advancements in industrial modernisation. Despite a fiercely competitive market, we remain confident in the robustness of our business model and the efficacy of our management and operational frameworks, positioning us well to capitalise on the evolving economic landscape.

In terms of business performance in different regions, the Group expects continuous growth in flexible staffing business in Mainland China with extended product portfolio and continuous progress in the ITO segment. The outlook of Taiwan market could be further negatively impacted by weak economic growth and geopolitical tension in the region. Hong Kong market might show signs of recovery on the back of picking up of economic activities in the city, but still depends on overall demand recovery.

Flexible Staffing Remains Our Strategic Focus in 2025

The Group's strategic focus in 2025 will remain on flexible staffing in Mainland China with industry focus on several key fast-growing industries such as new energy, financial services, internet, healthcare, and consumer & retail. The Group believes that it will continue to benefit from the industry growth momentum with a strong global brand and leading market position.

On the organic growth front, the Group will further expand into under-penetrated regions in southern and central China while at the same time shoring up its market leading position in tier-one cities to gain more market share and achieve greater economies of scale. Furthermore, the Group is proactively expanding its client base into the SOE sector and internet sector, and further widen its business offerings and accelerate building up its ITO business to increase market share in Mainland China.

Going forward, the Group will continue to seek opportunities of strategic acquisition and cooperation in order to strengthen its leadership position in the workforce solutions market. The focus of the Group's M&A and cooperation strategy will remain on businesses and opportunities with the potential to broaden the Group's flexible staffing product offerings and create synergy between its different business lines.

Upgrade of Internal Technological Infrastructure, Committed to value creation

In 2025, the Group will continue to optimise its internal technology platform to enhance productivity and operational efficiency and create more synergy between different business lines and provide top-class comprehensive workforce solutions for our clients.

Our management remains vigilant and strategically agile in navigating the complexities of external markets, aiming to leverage emerging opportunities while mitigating risks to ensure long-term value creation for our stakeholders.

KEY OPERATING METRICS

The Group provides comprehensive workforce solutions under three business lines, namely (i) flexible staffing; (ii) recruitment solutions (including headhunting and recruitment process outsourcing (the "RPO") services); and (iii) other HR services, serving corporate and government clients across the Greater China Region. The following table sets forth the Group's key operating metrics for the years indicated:

	For the year ended 31 December 2024	2023	Change in percentage %
Flexible staffing			
Number of associates placed during the year (approximately)	**55,300**	54,000	2.4
Number of candidates in flexible talent database (in thousands)	**2,889**	2,523	14.5
Recruitment solutions			
Number of placements during the year	**1,728**	2,448	(29.4)
Number of candidates in recruitment services database (in thousands)	**3,713**	3,587	3.5
Number of recruiters	**178**	223	(20.2)
Overall			
Number of full time employees	**1,116**	1,286	(13.2)

FINANCIAL REVIEW

Revenue

In 2024, the Group derived its revenue primarily from (i) workforce solution services, including flexible staffing, and recruitment solutions, including headhunting and RPO; and (ii) other HR services, including HR consultancy services, training and development, career transition, payroll services as well as government solutions. The following table sets out a breakdown of the Group's revenue by business line for the years indicated:

	For the year ended 31 December 2024 (RMB'000)	2023 (RMB'000)	Change in percentage %
Revenue			
Workforce solutions services			
Flexible staffing	**6,132,952**	5,122,821	19.7
Recruitment solutions	**115,736**	157,828	(26.7)
Other HR services	**21,850**	22,943	(4.8)
Total	**6,270,538**	5,303,592	18.2

FINANCIAL REVIEW (Continued)

Revenue (Continued)

The revenue of the Group increased by approximately 18.2% from RMB5,303.6 million for the year ended 31 December 2023 to RMB6,270.5 million for the year ended 31 December 2024. This increase was mainly attributable to the increase in revenue generated from flexible staffing by approximately 19.7% from RMB5,122.8 million for the year ended 31 December 2023 to RMB6,133.0 million for the year ended 31 December 2024, primarily due to: (i) the increase in number of associates placed during the Reporting Period from key accounts particularly SOE clients and financial services clients in China and government clients and Chinese companies clients in Hong Kong; and (ii) the increase in average revenue per associate in the whole Greater China Region because of the reduction of short term positions and increase in full time positions.

Such increase was partially offset by:

(i) the decrease in revenue generated from recruitment solutions by approximately 26.7% from RMB157.8 million for the year ended 31 December 2023 to RMB115.7 million for the year ended 31 December 2024, primarily due to the sluggish hiring market, higher clients' requirements for positions and lower candidates' willingness to change jobs, which made the recruitment more difficult and longer; and

(ii) the decrease in revenue generated from other HR services by approximately 4.8% from RMB22.9 million for the year ended 31 December 2023 to RMB21.9 million for the year ended 31 December 2024, primarily due to the decrease in government solutions services because of falling demand from government clients under current economy environment.

During the Reporting Period, the Group operated in the Greater China Region including the PRC, Hong Kong, Macau and Taiwan with the PRC contributing the largest part of the Group's total revenue. The following table sets out a breakdown of the Group's revenue by geographic location for the years indicated:

	For the year ended 31 December		Change in percentage
	2024	2023	
	(RMB'000)	(RMB'000)	%
Revenue			
The PRC	**4,466,730**	3,578,853	24.8
Hong Kong and Macau	**883,470**	659,048	34.1
Taiwan	**920,338**	1,065,691	(13.6)
Total	**6,270,538**	5,303,592	18.2

FINANCIAL REVIEW (Continued)

Cost of services

The Group's cost of services increased by approximately 20.8% from RMB4,681.0 million for the year ended 31 December 2023 to RMB5,656.9 million for the year ended 31 December 2024. This increase was generally in line with the Group's flexible staffing revenue growth, which business accounted most of the cost.

Gross profit and gross profit margin

Gross profit represents revenue less cost of services. The Group's gross profit decreased by approximately 1.4% from RMB622.6 million for the year ended 31 December 2023 to RMB613.6 million for the year ended 31 December 2024 primarily due to the decrease in gross profit generated from recruitment solutions which exceeded the increase in gross profit generated from flexible staffing and other HR services.

The Group's gross profit margin decreased from approximately 11.7% for the year ended 31 December 2023 to approximately 9.8% for the year ended 31 December 2024, primarily due to: (i) the decrease in gross profit margin in flexible staffing because the major increase in revenue were from the clients which had high volume of associates but low margin in China; and (ii) the decrease in revenue generated from recruitment solutions which had high margin.

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

	For the year ended 31 December		
	2024 (%)	2023 (%)	Change (%)
Workforce solutions services			
Flexible staffing	**8.0**	9.1	(1.1)
Recruitment solutions	**90.7**	90.9	(0.2)
Other HR services	**71.6**	65.0	6.6
Overall	**9.8**	11.7	(1.9)

Selling and administrative expenses

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

The Group's selling expenses decreased by approximately 5.4% from RMB358.9 million for the year ended 31 December 2023 to RMB339.4 million for the year ended 31 December 2024, primarily due to the decrease in overall expenses related to recruitment solutions because of the reorganisation to optimise the team structure.

The Group's administrative expenses decreased by approximately 5.2% from RMB101.9 million for the year ended 31 December 2023 to RMB96.6 million for the year ended 31 December 2024, primarily due to the improvement in management capabilities leading to streamlining of the organization and thus the decrease in personal expenses of functional employees and the decrease in office expenses because of the improvement in office utilisation so as to reduce office space, despite of the increase in expenses related to share options and restricted share units granted.

The Group's selling expenses accounted for approximately 6.8% and 5.4% of its total revenue for the years ended 31 December 2023 and 2024, respectively, while the Group's administrative expenses accounted for approximately 1.9% and 1.5% of its total revenue for the years ended 31 December 2023 and 2024, respectively. Both of the decreases were mainly due to the effective cost control implemented by the Group and improvement in operation efficiency.

FINANCIAL REVIEW (Continued)

Other income

The Group's other income primarily includes interest income on bank deposits, dividend income from equity instruments at FVTOCI, government grants and others. The Group's other income increased by approximately 8.5% from RMB19.2 million for the year ended 31 December 2023 to RMB20.8 million for the year ended 31 December 2024, which was primarily attributable to the increase in interest income on bank deposits and dividend income from equity instruments at FVTOCI.

Other gains and losses

The Group's other gains and losses consist of net exchange gains, impairment losses recognised in respect of property and equipment, other intangible assets and interests in associates. The Group recorded other gains of RMB4.6 million for the year ended 31 December 2023 and other losses of RMB5.4 million for the year ended 31 December 2024. The change from other gains to other losses was primarily attributable to the decrease in the exchange gain arising from the appreciation of US dollars to TW dollars and the impairment losses recognised in respect of other intangible assets and interests in associates.

Share of profit of associates

The Group's share of profit of associates amounted to RMB0.7 million for the year ended 31 December 2024.

Income tax expense

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

The Group's income tax expense increased by approximately 12.1% from RMB38.0 million for the year ended 31 December 2023 to RMB42.5 million for the year ended 31 December 2024.

The Group's effective income tax rate for the year ended 31 December 2024 was approximately 22.3%, compared to approximately 20.6% for the year ended 31 December 2023. The increase in effective income tax rate was primarily due to the increase in withholding tax for dividend distribution from Taiwan.

Profit for the year attributable to owners of the Company

As a result of the foregoing, the Group's profit for the year attributable to owners of the Company increased by approximately 2.7% from RMB126.5 million for the year ended 31 December 2023 to RMB129.8 million for the year ended 31 December 2024.

Adjusted profit for the year attributable to owners of the Company

The Group's adjusted profit for the year attributable to owners of the Company (excluding expenses in relation to stock options and restricted share units granted and impairment losses recognised in respect of interests in associates, property and equipment and others) increased by approximately 7.8% from RMB135.1 million for the year ended 31 December 2023 to RMB145.6 million for the year ended 31 December 2024.

FINANCIAL REVIEW (Continued)

Non-GAAP (Generally-accepted accounting principles) financial measure

Adjusted profit attributable to owners of the Company is a non-GAAP measure used by the management of the Group to provide additional information on its operating performance and is not a standard measure under IFRS Accounting Standards. Adjusted profit attributable to owners of the Company takes out the expense in relation to stock options and restricted share units granted during the year and the impairment losses recognised in respect of interests in associates, property and equipment and others which are not indicators for evaluating the actual performance of the Group's business. The management of the Group believes that such a non-GAAP measure provides additional information to investors and others in understanding and evaluating the consolidated results of operations in the same manner as the management of the Group. The following table sets forth a reconciliation between the profit for the year and the adjusted profit for the year:

	For the year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit for the year attributable to owners of the Company	**129,848**	126,476
Adjustment for:		
Expense in relation to stock options and restricted share units granted	**9,412**	7,694
Impairment losses recognised in respect of interests in associates	**6,361**	–
Impairment losses recognised in respect of property and equipment and others	**–**	909
Adjusted profit for the year attributable to owners of the Company	**145,621**	135,079

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

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

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

Net current assets

As at 31 December 2024, the Group's net current assets amounted to RMB1,119.3 million (31 December 2023: RMB1,011.1 million). Specifically, the Group's total current assets increased from RMB1,827.2 million as at 31 December 2023 to RMB2,247.4 million as at 31 December 2024. The Group's total current liabilities increased from RMB816.1 million as at 31 December 2023 to RMB1,128.0 million as at 31 December 2024. The increase in net current assets was mainly due to the increase in trade receivables resulting from the increase of flexible staffing business.

Cash position

As at 31 December 2024, the Group had bank balances and cash, together with its restricted bank deposits, time deposits with original maturity over three months of RMB980.9 million (31 December 2023: RMB984.1 million). The slight decrease in bank balances and cash was primarily due to the dividend distribution from the Group, while the cash inflow from operating activities was RMB79.9 million.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES (Continued)

Indebtedness

As at 31 December 2024, the Group had lease liabilities of RMB35.4 million (31 December 2023: RMB39.8 million). The Group had no bank loans or convertible loans during the Reporting Period and as at 31 December 2024 (31 December 2023: Nil). As a result, the Group's gearing ratio (calculated as total bank and other borrowings divided by total equity) as at 31 December 2024 was not calculated (31 December 2023: Nil).

Pledge of assets

As disclosed under the section headed "Contingent Liabilities", as at 31 December 2024, the Group had pledged its time deposit in an amount of RMB50.8 million.

Financial risks

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

Currency risk

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

Interest rate risk

The Group's exposure to fair value interest rate risk relates primarily to the Group's fixed-rate time deposits with original maturity over three months and lease liabilities. The Group also exposes to cash flow interest rate risk in relation to variable rate restricted bank deposits and bank balances. The Group has not used derivative financial instruments to hedge any interest rate risks. The Group manages its interest rate exposures by assessing the potential impact arising from interest rate movements based on the current interest rate level and outlook.

Other price risk

The Group is exposed to equity price risk through its unquoted investments measured at FVTOCI. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Credit risk

The Group's exposure to credit risks relates primarily to time deposits with original maturity over three months, restricted bank deposits, bank balances, trade and other receivables, amounts due from related companies and arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk by customer/counterparty within the Group. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of financial assets.

Liquidity risk

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

KEY FINANCIAL RATIO

As at 31 December 2024, the current ratio (calculated as total current assets divided by the total current liabilities) of the Group was 2.0 times (31 December 2023: 2.2 times).

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had outstanding surety bonds of RMB50.8 million (31 December 2023: RMB49.0 million), comprising restricted bank deposits, all of which were pledged as required by certain clients of the Group.

COMMITMENTS

As at 31 December 2024, the Group did not have any significant capital and other commitments, long-term obligations or guarantee (31 December 2023: Nil).

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 31 December 2024, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

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

During the Reporting Period, there were no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

The Group had no significant investments with a value of 5% or above of the Group's total assets as at 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group has no concrete plan for future investments or acquisition of capital assets in place as at the date of this annual report.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Net proceeds from the Listing (including the exercise of the over-allotment option), after deducting the underwriting commission and other estimated expenses in connection with the Listing which the Company received amounted to approximately RMB458.2 million (the "Net Proceeds"). Up to the date of this report, the Net Proceeds received from the Listing have been used, in a manner consistent with the proposed allocation in the Prospectus and the announcement of the Company dated 28 August 2024 in relation to change in use of proceeds.

According to the announcement of the Company dated 30 March 2021, the Board has resolved to postpone the timeline of the unutilised net proceeds to 31 December 2022. According to the announcement of the Company dated 29 March 2023, the Board has resolved to further postpone the timeline of the unutilised net proceeds from 31 December 2022 to 31 December 2023. According to the announcement of the Company dated 28 March 2024, after due and careful consideration of the latest developments, the Board has resolved to further extend the timeline for use of the unutilised net proceeds from 31 December 2023 to 31 December 2025.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING (Continued)

Change in Use of Net Proceeds

According to the announcement of the Company dated 28 August 2024, the Board has resolved to change the use of the unutilised net proceeds to optimise the deployment of financial resources under changing market conditions, which is in line with the Group's overall and long-term business strategy and extend the expected utilisation timeline from 31 December 2025 to 31 December 2026. For further details on the change in use of proceeds, please refer to the announcement of the Company dated 28 August 2024. The table below sets forth the details of utilisation of the Net Proceeds up to 31 December 2024, the re-allocation and expected timeline for the intended use of the unutilised net proceeds:

Categories	Specific Plans	Expected timeline as stated in the Prospectus (Note)	Planned use of net proceeds as stated in the Prospectus and after considering the additional net proceeds from the exercise of over-allotment option RMB'000	Unutilised proceeds as at 1 January 2024 RMB'000	Reallocation in unutilised net proceeds as disclosed in the announcement of the Company dated 28 August 2024 RMB'000	Proceeds utilised during the financial year ended 31 December 2024 RMB'000	Actual use of net proceeds up to 31 December 2024 RMB'000	Unutilised net proceeds as at 31 December 2024 RMB'000	Expected timeline for fully utilising the remaining proceeds (Note)
Business expansion	Expand our business scale and market share	12 to 24 months from 10 July 2019 (the "Listing Date")	137,451 (30% of total net proceeds)	–	–	–	137,451	–	
Research and development	Invest in a digital workforce platform	12 to 24 months from the Listing Date	137,451 (30% of total net proceeds)	81,707	(57,434)	8,584	64,328	15,689	On or before 31 December 2026
Future investments, strategic mergers and acquisitions	Pursue strategic acquisition and investment opportunities	12 to 24 months from the Listing Date	114,527 (25% of total net proceeds)	76,277	–	–	38,250	76,277	On or before 31 December 2026
Brand building and digital marketing	Investment in offline brand building and digital marketing to increase brand awareness	12 to 24 months from the Listing Date	22,924 (5% of total net proceeds)	1,666	13,000	5,307	26,565	9,359	On or before 31 December 2026
Working capital	Working capital and other general corporate purposes	–	45,847 (10% of total net proceeds)	–	44,434	44,434	90,281	–	
Total			458,200 (100% of total net proceeds)	159,650	–	58,325	356,875	101,325	

Note: The expected timeline for the application of the unutilised net proceeds is based on the best estimate of the future market conditions made by the Group. The Directors will reassess the Group's business objectives and use of proceeds from time to time, and may revise or amend such plans where necessary, to ensure it aligns with the Group's business strategies factoring in the changing market conditions.

As at the date of this report and save as disclosed in this report, there has not been any material change to the plan as to the categories of use of the net proceeds and the revised expected timeline for unutilised net proceeds will not have any material adverse impact on the operations of the Group.

EMPLOYEE AND REMUNERATION POLICY

The Group's employees include its own employees and associates. Own employees refer to the employees for the Group's operations, including finance and information technology and excluding those for flexible staffing assignments. Associates refer to those who are assigned to work on client premises, typically under client instruction and supervision during the term of deployment. As at 31 December 2024, the Group employed approximately 1,116 full-time own employees and approximately 55,300 associates.

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

The Group's associates, who are employed on a contract basis, are cross-trained in multiple aspects of staffing as the Group provides relevant training to help associates adapt to clients' positions quickly, including trainings on computer skills and other soft skills. Such training equips the associates with the ability to assist the Group's clients in different positions and departments, and helps them find better positions through talent upskill.

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

The Company adopted a restricted share unit scheme on 10 June 2021 ("2021 RSU Scheme") to recognise and reward the eligible participants for their contributions to the Group and attract, retain or otherwise maintain an on-going business relationship with the participants whose contributions are or will be beneficial to the long-term growth of the Group. For details of the 2021 RSU Scheme, please see the section headed "Directors' Report — Restricted Share Units Schemes" of this report.

The Company has adopted a restricted share unit scheme on 22 November 2023 ("2023 RSU Scheme") to recognise and reward the eligible participants for their contributions to the Group and attract, retain or otherwise maintain an on-going business relationship with the participants whose contributions are or will be beneficial to the long-term growth of the Group. For details of the 2023 RSU Scheme, please see the paragraph headed "Restricted Share Units Schemes" below.

Biographies of Directors and Senior Management

DIRECTORS

Executive Director

Mr. CUI Zhihui (**崔志輝**), aged 48, was appointed as the executive Director and the chief executive officer of the Company on 31 March 2021. He is the member of the investment committee of the Company. He is responsible for making operational and strategic decisions. Mr. CUI has served as the Group's chief financial officer from January 2016 to October 2021 and is responsible for the Group's management, including overseeing its financial affairs and leading the M&A and post management. He also holds directorship in a number of the Group's subsidiaries. Prior to joining the Group, from March 2007 to January 2016, Mr. CUI served as the 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 specialising 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 in Macau in August 2001. Mr. CUI was admitted as a fellow of The Chartered Institute of Management Accountants in September 2015.

Non-executive Directors

Mr. John Thomas MCGINNIS, aged 58, was appointed as the non-executive Director on 29 June 2020 and the Chairman on 29 June 2023. He is the chairman of the investment committee of the Company and the member of the remuneration committee and the nomination committee of the Company. He was further appointed as a director of ManpowerGroup Greater China (BVI) Limited, ManpowerGroup Greater China (HK) Limited, and ManpowerGroup Solutions Holdings Hong Kong Limited on 1 September 2020. The aforementioned companies are subsidiaries of the Company of which Mr. MCGINNIS oversees the management. He was named executive vice president and chief financial officer of MAN Group in February 2016. As the chief financial officer, he is responsible for MAN's worldwide finance, accounting and internal audit functions. As a member of MAN's executive leadership team, Mr. MCGINNIS is engaged in supporting and developing the Company's business and finance strategies and driving operational performance across all geographies and business lines.

Mr. MCGINNIS joined MAN from Morgan Stanley, where he served from January 2014 through February 2016 as global controller responsible for financial accounting and controls, U.S. Securities and Exchange Commission (SEC) and regulatory reporting, financial planning and analysis, and the finance function for their large U.S. bank. From March 2006 through January 2014, he served in HSBC North America Holdings Inc. with his last position as a chief financial officer, and before that, he served and reached the position of partner at Ernst & Young from 1989 through March 2006.

Mr. MCGINNIS is a graduate of Loyola University Chicago and holds a bachelor of business administration in public accounting (May 1989). He is a certified public accountant and a member of the American Institute of Certified Public Accountants.

Mr. MCGINNIS is a member of the executive board of City Year Milwaukee, a non-for-profit organization that partners with educators while supporting and mentoring children.

DIRECTORS (Continued)

Non-executive Directors (Continued)

Mr. Colin Patrick Alan JONES, aged 60, was appointed as a non-executive Director on 29 June 2023. He is a member of the audit committee of the Company. He has been the head of legal for the Asia-Pacific and Middle East for MAN, effective from January 2016. As the regional general counsel, he is responsible for strategic transactions in the region as well as compliance and legal affairs for MAN's operations in Japan, Australia, India, Singapore, Thailand, the Philippines, Malaysia, the Middle East, Korea and Vietnam.

A member of MAN's global leadership team, Mr. JONES also played a key role in executing the listing of the Company on the Stock Exchange in 2019.

Mr. JONES was admitted to the bar in New York in 1994 and has extensive experience with capital markets transactions, public companies and leading global investment banks. Prior to joining MAN, Mr. JONES worked at leading global law firms and as in-house counsel at several companies. Prior to assuming his current role at MAN and concurrently thereafter, Mr. JONES has been a professor at Doshisha Law School in Kyoto, Japan. Before that he was a counsel at Latham & Watkins LLP from November 2002 to July 2003, Global Crossing Japan/Asia Global Crossing from March 2000 to October 2002, and Simpson Thacher & Bartlett from October 1993 to February 2000.

Mr. JONES has been a director for ManpowerGroup Co., Ltd., a subsidiary of MAN since 2008. Since June 2019, Mr. JONES has also served as a non-voting corporate auditor on the board of Kansai Paint Co., Ltd., which is listed on the Tokyo Stock Exchange (Stock code: 4613).

Mr. JONES obtained a Bachelor's degree in arts from the University of California, Berkeley in 1986, a Master's degree in law from Tohoku University in 1990 and a Master's degree in law and Juris Doctor degree from Duke University School of Law in 1993.

Mr. ZHANG Yinghao (**張迎昊**), aged 48, was appointed as the Director on 28 August 2015 and was re-designated as the non-executive Director on 18 January 2019. He is the member of the remuneration committee, the nomination committee and the investment committee of the Company. Mr. Zhang has been working at Beijing Panmao Investment Management Co., Ltd. (北京磐茂投資管理有限公司) since January 2019. From August 2004 to January 2009, Mr. Zhang worked at China Life Insurance Co., Ltd. (中國人壽保險股份有限公司), a company that specialises in insurance services, where he last served as the division manager in the investment management department. From January 2009 to August 2011, Mr. Zhang worked at CITIC Private Equity Funds Management Co., Ltd. (中信產業投資基金管理有限公司) ("CITICPE"), a company that specialises in asset management. From September 2011 to December 2018, Mr. ZHANG worked at Shanghai Panxin Equity Investment Management Co., Ltd. (上海磐信股權投資管理有限公司). From 2016 to 2017, Mr. ZHANG served as the director of BEST Inc., a company later listed on the NYSE (stock code: BSTI) and specialising in logistics and supply services in the PRC. Since November 2016, Mr. Zhang has also served as the 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 currently serves as the non-executive director of ANE (Cayman) Inc., (安能物流集團有限公司), a company listed on the Stock Exchange (stock code: 9956). 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. Mr. Zhang 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.

DIRECTORS (Continued)

Non-executive Directors (Continued)

Mr. ZHAI Feng (**翟鋒**), aged 57, was appointed as the Director on 28 August 2015 and was re-designated as the non-executive Director on 18 January 2019. He resigned as a non-executive Director and ceased to be the member of the audit committee of the Company with effect from 28 August 2024. He was primarily responsible for providing strategic guidance for the overall development of the Group.

He currently serves as the non-executive director of Beauty Farm Medical and Health Industry Inc. (stock code: 2373), a company listed on the Main Board of the Stock Exchange since January 2023 and he has been working at Shanghai Daozhijian Enterprise Service Co., Ltd. (上海道至簡企業服務有限公司) since June 2022. From September 2020 to June 2022, he served as the non-executive director of Yonghe Medical Group Co., Ltd. (stock code: 2279), a company listed on the Main Board of the Stock Exchange.

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 specialising in the production and sale of consumer products, where he last served as the president of sales in Greater China. Mr. ZHAI was a managing director at Shanghai Panxin Mezzanine Investment Management Company Limited (上海磐信夾層投資管理有限公司) from January 2013 to December 2018. Mr. ZHAI worked at Beijing Panmao Investment Management Co., Ltd. (北京磐茂投資管理有限公司) from January 2019 to May 2022. Mr. ZHAI has served as the 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 the 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 the 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. ZHANG Qi (**張琪**), aged 42, was appointed as a non-executive Director on 28 August 2024. He is primarily responsible for providing strategic guidance for the overall development of the Group. He is the member of the audit committee of the Company.

Mr. ZHANG has been an executive director of CITICPE since September 2023, and he is primarily responsible for leading significant investments and portfolio management in various sectors. From November 2022 to June 2023, Mr. ZHANG worked in Antgroup – Alipay Singapore Holding Pte. Ltd., Singapore as an investment director, responsible for developing and executing strategic plans for new business ventures which focus on artificial intelligence and blockchain technology. From April 2009 to September 2022, Mr. ZHANG worked in CITICPE, a company that specialises in asset management.

He has also served as a director of Mycos Data (Chengdu) Co. Ltd (麥可思數據(成都)有限公司) since October 2020.

Mr. ZHANG obtained a bachelor's degree in Chinese major from Ocean University of China in June 2005. Mr. ZHANG also obtained a master's degree in finance from the Graduate School of the Chinese Academy of Social Science in July 2008 and a master's degree in applied data science from University of Michigan School of Information in September 2022.

DIRECTORS (Continued)

Independent non-executive Directors

Mr. Thomas YEOH Eng Leong (楊永亮), aged 62, was appointed as the independent non-executive Director on 15 March 2019. He is the chairman of the remuneration committee of the Company and the member of the audit committee and the nomination committee of the Company. Mr. YEOH is responsible for providing independent advice to the Board. Mr. YEOH has over 29 years of experience in public service, private sector and capital markets. Since January 2023, he has served as the Managing Director of Baozun Asia Pte Ltd., the Singapore subsidiary of Nasdaq and Hong Kong Exchange dual listed e-commerce service provider Baozun Inc., (NASDAQ: BZUN and Stock Code: 9991.hk) where he is responsible for Baozun's business in Asia outside of mainland China. Prior to this, he has served as the director of corporate development at Phillip Securities Pte Ltd., a retail stock broker in Singapore, where he was primarily responsible for business development. Prior to taking up his current position, he worked at Economic Development Board of Singapore and was promoted as the regional director (Europe) in April 1994. In September 1997, he was seconded to National Computer Board of Singapore as the director of industry and manpower development while he also served as the chief information officer at Economic Development Board of Singapore. In May 1998, he was appointed as the assistant chief executive (industry) at National Computer Board of Singapore. In January 2000, he joined WPV/SA/NSTB Fund as the 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 the non-executive director of Boardroom Limited, a professional business services provider listed on the Singapore Exchange (stock code: 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.

Ms. WONG Man Lai Stevie (黃文麗), aged 55, was appointed as the independent non-executive Director on 15 March 2019. She is the chairman of the nomination committee of the Company and the member of the audit committee and remuneration committee of the Company. Ms. WONG is responsible for providing independent advice to the Board. Ms. WONG has over 32 years of experience in management, marketing and sales, operations and product innovation. From September 2017 to October 2019, she served as chief executive officer, Greater China at Inchcape Hong Kong Limited, a distributor and retailer in the premium and luxury automotive sectors. Since November 2019, Ms. WONG joined L'Oreal Group, a world leader in the Beauty Industry, and she has been appointed as global brand president with effect from 1 September 2022. 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 (stock code: 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 the 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 53, was appointed as the Company's independent non-executive Director on 15 March 2019. He is the chairman of the audit committee of the Company and the member of the remuneration committee and nomination committee of the Company. Mr. HUANG is responsible for providing independent advice to the Board.

Mr. HUANG has over 30 years of experience in professional accounting, capital market and merger and acquisition. He joined PricewaterhouseCoopers in 1993 and he was a partner in the firm since 2005. He left PricewaterhouseCoopers and joined KPMG as a partner from 2014 to 2017. He is currently an independent non-executive director of the following companies which are listed on the Stock Exchange, namely (i) COSCO SHIPPING Energy Transportation Co., Ltd. (stock code: 1138), (ii) Giordano International Limited (stock code: 709), (iii) Scholar Education Group (stock code: 1769), (iv) Topsports International Holdings Limited (stock code: 6110), (v) Shandong Hi-Speed New Energy Group Limited (stock code: 1250) and (vi) New Times Corporation Limited (formerly known as New Times Energy Corporation Limited) (stock code: 166). He was an independent non-executive director of (i) Qingdao Haier-Biomedical Co., Ltd. (stock code: 688139.SH), a company listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange from August 2018 to July 2024; (ii) Laobaixing Pharmacy Chain Joint Stock Company (stock code: 603883.SH), a company listed on the Shanghai Stock Exchange, from February 2018 to February 2024; and (iii) Evergrande Property Services Group Limited (stock code: 6666), a company listed on the Stock Exchange, from November 2020 to November 2021.

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 is a member of The Hong Kong Institute of Certified Public Accountants and The Hong Kong Independent Non-Executive Director Association. He is also a Certified Independent Non-executive Director by the Shanghai Stock Exchange.

SENIOR MANAGEMENT

Mr. CUI Zhihui (崔志輝), aged 48, served as the Group's chief financial officer from January 2016 to October 2021. He has been appointed as an executive Director and the chief executive officer of the Company with effect from 31 March 2021. For Mr. CUI's biography, please refer to the paragraph "Executive Director" in this section.

JOINT COMPANY SECRETARIES

Ms. GAO Xingyue (高星月) was appointed as the joint company secretary on 18 January 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 the 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. TSUI Sum Yi (徐心兒) was appointed as the joint company secretary on 4 September 2020. Ms. TSUI is currently a Senior Manager of Corporate Services of Vistra Corporate Services (HK) Limited. She has over ten years of experience in providing company secretarial services to numerous private and listed companies. Ms. TSUI is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute in United Kingdom.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the corporate governance code (the "Corporate Governance Code") contained in part 2 of Appendix C1 to the Listing Rules as its own code on corporate governance since the Listing and has complied with the code provisions sets out in the Corporate Governance Code throughout the Reporting Period.

The Board recognised the importance of corporate culture and shared value of the Group, with which the corporate citizens can identity. A strong corporate culture underpins long-term operation, economic success and sustainable growth of the Group and enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen. Strong corporate culture is also a powerful talent acquisition and retention tool for our recruiting business. The Company is committed to developing a positive and progressive culture that is built on its Vision, Mission and Values.

During 2024, the Company continued to strengthen its cultural framework by focusing on the following:

- Vision: Empower business partners with long term vitality with human resources

- Mission: Unleash the power of human potential

- Values: Integrity, accountability, synergy and innovation

The Board sets and promotes corporate culture and expects and requires all employees to identify and to reinforce. All of our new employees are required to attend orientation and training programs so that they can better understand our corporate culture, structure and policies, learn relevant laws and regulations, and raise their quality awareness. In addition, from time to time, the Company will invite external experts to provide training to our management personnel to improve their relevant knowledge and management skills. The corporate culture, structure and policies are displaced in public area of the Company's workplace, employees' office access cards and stationaries. Events and activities in relation to promote corporate culture including debate competition and corporate culture T-shirt design competition are held to enhance corporate culture awareness among employees.

The Board considers that the corporate culture and the purpose, values and strategy of the Group are aligned.

THE BOARD OF DIRECTORS

Board composition

As at the date of this report, the Board consists of one executive Director, namely Mr. CUI Zhihui, four non-executive Directors, namely Mr. Colin Patrick Alan JONES, Mr. John Thomas MCGINNIS, Mr. ZHANG Yinghao and Mr. ZHANG Qi and three independent non-executive Directors, namely Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG. An updated list of the Directors and their roles and functions is published on the websites of the Stock Exchange and the Company, respectively. Their names and biographical details are set out in the "Biographies of Directors and Senior Management" section of this report. The overall management and supervision of the Company's operation and the function of formulating overall business strategies were vested in the Board. There are no financial, business, family or other material relationships among members of the Board.

During the Reporting Period, the Board has at all times met the requirements of Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise. Their names and biographical details are set out in the "Biographies of Directors and Senior Management" section of this report. The three independent non-executive Directors represent more than one-third of the Board, complying with the requirement under Rule 3.10A of the Listing Rules whereby independent non-executive directors of a listed issuer must represent at least one-third of the Board.

Directors' responsibilities

The Board takes the responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitor the performance of the senior executives. The Directors have to make decisions objectively in the interests of the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

Liability insurance for Directors and senior management of the Company is maintained by the Company with appropriate coverage for certain legal liabilities which may arise in the course of performing their duties.

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Mr. John Thomas MCGINNIS and Mr. CUI Zhihui respectively from 1 January 2024 to 31 December 2024. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

Delegation by the Board

The management, consisting of executive Director along with other senior executives, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day management and operations of the Group. Executive Director and senior executives meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

THE BOARD OF DIRECTORS (Continued)

Directors’ responsibilities for financial statements

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group for the year ended 31 December 2024 in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the consolidated financial statements of the Group are published in a timely manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company’s ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements of the Group on a going concern basis.

Independent non-executive Directors

The independent non-executive Directors play a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board’s decision. The functions of independent non-executive Directors include bringing an impartial view and judgment on issues of the Company’s strategies, performance and control; and scrutinising the Company’s performance and monitoring performance reporting.

All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have made positive contributions to the development of the Company through providing their professional advice to the Board.

All independent non-executive Directors are appointed for a term of one year.

Confirmation of independence

The independence of the independent non-executive Directors has been assessed in accordance with the applicable Listing Rules and each of the independent non-executive Directors has made an annual written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and are independent.

The Company recognises that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and that independent views.

The current composition of the Board, comprising more than one third of the independent non-executive Directors and the members of the Audit Committee are mainly independent non-executive Directors which exceed the independence requirements under the Listing Rules. The Nomination Committee, Remuneration Committee and Audit Committee are all chaired by independent non-executive Directors. The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload. The independence of each independent non-executive Director is assessed upon his/her appointment and annually.

Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary.

The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board. The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances requires.

The Company has reviewed and considered the implementation of the mechanisms in relation to the Board’s independence to be effective during the Reporting Period.

THE BOARD OF DIRECTORS (Continued)

Board diversity policy

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development. The 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. The Company will also take into consideration its 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 the Board.

In accordance with the board diversity policy, the measurable objective is selection of Board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience.

The Board comprises eight members, including one female independent non-executive Director. The Directors also have a balanced mix of knowledge, skills and experience. Four directors have experiences of executive leadership and strategy, there are three directors who are financial management expertises and one director with working experiences and knowledge in risk management. Directors obtained degrees in various majors including economics in accounting, business administration, commerce, economic geography and urban and rural planning and environmental engineering. The Board has three independent non-executive Directors with different industry backgrounds, representing more than one-third of the Board members. Furthermore, the Board has a wide range of age, among which, three directors are in the age group of 41-50; four directors are in the age group of 51-60; and one in the age group of above 60. The Company has taken and will continue to take steps to promote gender diversity at all levels of the Group, including but without limitation at the Board and senior management levels. Taking into account the business model of the Group and its specific needs as well as the presence of one female Director out of a total of eight Board members, the Board targets to maintain at least the current level of female representation, with the ultimate goal of achieving gender parity and considers that the composition of the Board satisfies the board diversity policy. The nomination committee will propose a pipeline of potential successors to the Board to achieve gender diversity.

The nomination committee is responsible for ensuring the diversity of the Board members and compliance with relevant codes governing board diversity under the Listing Rules. The nomination committee will review the board diversity policy and its diversity profile at least once annually to ensure its continued effectiveness.

Workforce diversity

The gender ratio in the workforce (including senior management) for the Reporting Period is 23% (Male): 77% (female). The total gender diversity of the Group is balanced and the Group will continue to maintain the gender diversity in workforce. For further details of gender ratio and initiatives taken to improve gender diversity together with the relevant data, please refer to the disclosure in the environmental, social and governance report of the Company.

THE BOARD OF DIRECTORS (Continued)

Appointment, re-election and removal of Directors

The executive Director has entered into a service agreement with the Company for an initial term of three years commencing from 31 March 2021 unless terminated by not less than three months' notice in writing served by either party on the other. The executive Director has further entered into a renewed service contract with the Company for a term commencing on 31 March 2024 and shall thereafter continue to last for another period of three years unless terminated by not less than three months' notice in writing served by either party on the other. He is subject to retirement by rotation and re-election at the annual general meeting in accordance to the articles of association of the Company (the "Articles of Association").

Each of the non-executive Directors, other than Mr. Colin Patrick Alan JONES and Mr. ZHANG Qi, has entered into a letter of appointment with the Company for an initial term of three years commencing from the Listing Date. Each of the non-executive Directors, other than Mr. Colin Patrick Alan JONES and Mr. ZHANG Qi, has further entered into a revised letter of appointment with the Company for a term commencing on 9 September 2021 and ending on 9 July 2022 and shall thereafter continue to last for another period of three years unless terminated by not less than three months' notice in writing served by either party on the other. Mr. Colin Patrick Alan JONES has entered into a letter of appointment with the Company for an initial term of three years commencing from 29 June 2023 unless terminated by not less than three months' notice in writing served by either party on the other. Mr. ZHANG Qi has entered into a letter of appointment with the Company for an initial term of three years commencing from 28 August 2024 unless terminated by not less than three months' notice in writing served by either party on the other. All non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles of Association.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of one year commencing from the Listing Date. Each of the independent non-executive Directors has further entered into a revised letter of appointment with the Company for a term of one year from 9 September 2021 unless extended pursuant to mutual agreement between the Company and the independent non-executive Director or terminated by not less than three months' notice in writing served by either party on the other. The letter of appointment of each independent non-executive Directors have been renewed for another term of 1 year commencing from 9 September 2022 and ending on 8 September 2023 and shall thereafter continue to renew for another period of one year on annual basis unless otherwise. The letter of appointment of each independent non-executive Directors has been renewed for a term of one year commencing from 1 April 2024 and ending on 31 March 2025 and shall thereafter continue to renew for another period of one year on annual basis unless otherwise terminated by not less than 30 day' notice in writing served by either party on the other. All independent non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles of Association.

In accordance with the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The Articles of Association also provides that any Director appointed by the Board to fill a casual vacancy or as an additional to the Board shall hold office only until the first annual general meeting of the Company and shall then be eligible for re-election at such meeting.

The members of the Company may, at any general meetings convened and held in accordance with the Articles of Association, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).

None of the Directors who are proposed for election or re-election at the annual general meeting of the Company (the "AGM") in 2025 has a service contract or appointment letter with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

At the AGM held on 26 June 2024, Mr. ZHANG Yinghao, Mr. John Thomas MCGINNIS and Mr. Thomas YEOH Eng Leong retired in accordance with the Article 16.19 of the Articles of Association and were re-elected as non-executive Directors at the AGM.

During the Reporting Period, Mr. ZHAI Feng resigned as a non-executive Director with effect from 28 August 2024. Mr. ZHANG Qi was appointed as a non-executive Director by the Board with effect from 28 August 2024.

THE BOARD OF DIRECTORS (Continued)

Directors' training and professional development

Every newly appointed Director has been given a comprehensive, formal and tailored induction on appointment.

Subsequently, the Company has provided timely technical updates, including the briefing on the amendments to the Listing Rules and the news release published by the Stock Exchange to the Directors.

During the Reporting Period, the Directors received updates on the Listing Rules, legal and other regulatory requirements and the latest development of the Group's business and are encouraged to participate in continuous professional development to develop their knowledge and skills. Training seminars on regulations and updates were also provided to all Directors.

Pursuant to the requirements of the code provisions set out in the Corporate Governance Code, all Directors have provided the Company with records of the training they received to ensure that their contributions to the Board remain informed and relevant.

A summary of training received by Directors during the Reporting Period according to the records provided by the Directors is as follows:

	Seminar on regulations updates and corporate governance matters	Reading materials relating to regulatory update
Executive Director		
Mr. CUI Zhihui	✓	✓
Non-executive Directors		
Mr. Colin Patrick Alan JONES	✓	✓
Mr. John Thomas MCGINNIS	✓	✓
Mr. ZHANG Yinghao	✓	✓
Mr. ZHAI Feng (resigned with effect from 28 August 2024)	✓	✓
Mr. ZHANG Qi (appointed with effect from 28 August 2024)	✓	✓
Independent non-executive Directors		
Mr. Thomas YEOH Eng Leong	✓	✓
Ms. WONG Man Lai Stevie	✓	✓
Mr. Victor HUANG	✓	✓

THE BOARD OF DIRECTORS (Continued)

Board Meetings

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications. Code provision C.5.1 of the Corporate Governance Code stipulates that Board meetings shall be held at least four times a year at approximately quarterly intervals. Additional meetings would be arranged, if and when required. The date of each meeting is decided in advance to enable the Directors to attend the meeting in person.

The company secretary of the Company ("Company Secretary") assists the Chairman in establishing the meeting agenda and each Director may request inclusion of items in the agenda. A notice of at least 14 days is given to all Directors for all regular Board meetings. Relevant information is circulated to all Directors normally three days in advance of the Board meetings.

The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting. After the briefing given to the Directors, the management will answer any enquiry made by the Directors. The Board may make informed assessment on the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss.

The Chairman ensures that all Directors are properly briefed on issues arising from Board meetings and that they receive adequate information in a timely manner in order to assist them to make informed decisions and discharge their duties as Directors. Upon reasonable request, the Directors and Board Committees will have access to independent professional advice in appropriate circumstances at the Company's expense in carrying out their duties.

During the Reporting Period, the Directors have made active contribution to the affairs of the Group and four Board meetings were held to consider, among other things, various transactions contemplated by the Group, to review the Group's operations and developments, to review and approve investment proposals and to review and approve the interim results and annual results and report of the Group. According to Article 16.23 of the Articles of Association, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest.

Meeting minutes of the Board and Board Committees are recorded in appropriate details and draft minutes are circulated to the respective Board members for comments before being approved by the Board and Board committees. All minutes are kept by the Company Secretaries and are open for inspection by the Directors on reasonable notice.

THE BOARD OF DIRECTORS (Continued)

Attendance record of Directors

During the Reporting Period, the Company held four Board meetings, two audit committee meetings, one remuneration committee meeting, one nomination committee meeting, and one Shareholders' meeting. A meeting between Chairman and independent Directors was held during the Reporting Period without presence of other non-executive Directors. The attendance record of Directors at the meetings of the Board and the Board committees held during the Reporting Period is set out below:

	Number of meetings attended/Number of meetings eligible to attend						
	AGM	Board	Audit Committee	Remuneration Committee	Nomination Committee	Investment Committee	Chairman meeting with Independent non-executive directors
Executive Director							
Mr. CUI Zhihui	1/1	4/4	N/A	N/A	N/A	0/0	N/A
Non-executive Directors							
Mr. Colin Patrick Alan JONES	1/1	4/4	2/2	N/A	N/A	N/A	N/A
Mr. John Thomas MCGINNIS	1/1	4/4	N/A	1/1	1/1	0/0	1/1
Mr. ZHANG Yinghao	1/1	4/4	N/A	1/1	1/1	0/0	N/A
Mr. ZHAI Feng (resigned on 28 August 2024)	1/1	3/3	2/2	N/A	N/A	N/A	N/A
Mr. ZHANG Qi (appointed on 28 August 2024)	N/A	2/2	N/A	N/A	N/A	N/A	N/A
Independent non-executive Directors							
Mr. Thomas YEOH Eng Leong	1/1	4/4	2/2	1/1	1/1	N/A	1/1
Ms. WONG Man Lai Stevie	1/1	4/4	2/2	1/1	1/1	N/A	1/1
Mr. Victor HUANG	1/1	4/4	2/2	1/1	1/1	N/A	1/1

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties set out in code provision of the Corporate Governance Code including:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- to review and approve the strategy of environmental, social and governance and relevant policies; and
- to review the Company's compliance with Appendix C1 to the Listing Rules (Corporate Governance Code and Corporate Governance Report).

The Board had performed the above duties during the Reporting Period.

BOARD COMMITTEES

The Board has established four committees, being the audit committee, the remuneration committee, the nomination committee and the investment committee (collectively the "Board Committees") for overseeing particular aspects of the affairs of the Group. All Board Committees have been established with specific terms of reference, which are available on the websites of the Company and the Stock Exchange, respectively. All the Board Committees should report to the Board on their decisions or recommendations made.

All Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses. The duties and work done by the foregoing Board Committees for the Reporting Period are detailed below.

Audit committee

The Company established the audit committee in compliance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with the Corporate Governance Code set forth in Appendix C1 to the Listing Rules on 5 June 2019. The primary duties of the audit committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting system, risk management and internal control systems of the Group, to oversee the audit process, to develop and review the policies and to perform other duties and responsibilities as assigned by the Board.

The audit committee consists of two non-executive Directors, namely Mr. Colin Patrick Alan JONES and Mr. ZHANG Qi and three independent non-executive Directors, namely 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 an independent non-executive Director with the appropriate professional qualifications.

The Board has also delegated the corporate governance duties to the audit committee for performing the functions set out in the code provision of the Corporate Governance Code.

BOARD COMMITTEES (Continued)

Audit committee (Continued)

According to the requirement under the code provision D.3.3(e)(i) of the Corporate Governance Code, members of the audit committee should liaise with the board and senior management and the audit committee must meet, at least twice a year, with the issuer's external auditor.

During the Reporting Period, the audit committee held two meetings with the senior management and external auditor of the Company in March and August 2024 respectively. The agenda of which is set out as following:

- reviewing annual results of 2023 and 2023 annual report, interim results of 2024 and 2024 interim report;
- reviewing and discussing the risk management and internal control systems and opinion of independent auditor;
- reviewing the continuing connected transactions during the year ended 31 December 2023 and 6 months ended 30 June 2024; and
- reviewing the independence of external auditor of the Company and considering the re-appointment of external auditor of the Company.

The attendance record of individual Directors of the audit committee meetings is set out on page 29 of this report.

Remuneration committee

The Company established the remuneration committee in compliance with Rule 3.25 of the Listing Rules with written terms of reference in compliance with the Corporate Governance Code set forth in Appendix C1 to the Listing Rules on 5 June 2019. The primary duties of the remuneration committee are to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations to the Board on remuneration package of the Directors and employee benefit arrangement. The remuneration of all of the Directors and senior management is subject to regular monitoring by the remuneration committee to ensure that levels of their remuneration and compensation are appropriate.

The remuneration committee consists of two non-executive Directors, namely, Mr. John Thomas MCGINNIS and Mr. ZHANG Yinghao, and three independent non-executive Directors, namely, 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.

During the Reporting Period, the remuneration committee held one meeting to review the remuneration structure of the Directors and senior management of the Group and appraisal system of the key positions of the Group and discuss the proposed grant of restricted share units (the "RSU"). While considering the grant of RSU, the remuneration committee had evaluated the remuneration of the grantees to comparable market peer and the value of grant to the grantees. After considering those factors, the remuneration committee recommended the proposed grant of RSU to the grantees to the Board for approval to appreciate the grantees' devotion and commitment to the Company which align with the purposes of the 2021 RSU Scheme (as defined in this report) and the 2023 RSU Scheme (as defined in this report). The remuneration committee also discussed and recommended the Board the remuneration of the new non-executive Director. The attendance record of individual Directors of the remuneration committee meetings is set out on page 29 of this report. Details of the remuneration payable to each Director for the year ended 31 December 2024 are set out in note 11 to the consolidated financial statements on page 154 of this report.

BOARD COMMITTEES (Continued)

Directors' remuneration policy

The remuneration policy is adopted by the Board of the Company to establish a formal and transparent procedure for developing the Company's policy and structure for the remuneration of all Directors and senior management, such that the remuneration packages offered by the Company can be competitive, adequate (but not excessive) and in line with current market practices to attract, retain, motivate and reward our Directors and senior management, thereby having sufficient, experienced and competent manpower on board to achieve the Company's corporate goals and objectives. With this policy, the Company endeavors to assure internal and external equity and long-term value creation.

The remuneration committee is mandated to formulate the Group's remuneration policy for the Board's approval, and to make recommendations to the Board on the Group's annual salary adjustment, the annual performance bonus and share award.

The Directors' remuneration is reviewed annually by the remuneration committee with reference to companies of comparable business or scale, and any changes are subject to the Board's approval based on the recommendation of the remuneration committee.

Remuneration Structure

The remuneration package comprises fixed and variable components, ensuring an appropriate and balanced remuneration package that links shareholders' interests with those of Directors:

Fixed Components

Base Salary or Director's Fee: Base Salary or Director's Fee is determined on the basis of the expectation of senior management or Directors, job nature of the position, including responsibility, complexity, the remuneration packages offered by companies comparable to the Company and other market conditions.

No director's fee is paid to both executive Director and non-executive Directors.

The independent non-executive Directors receive a fixed Director's fee including the fee for chairing committee meetings. Their remuneration are reviewed annually with reference to companies of comparable business and scale by the remuneration committee and approved by the Board.

Variable Components

Long-term incentive scheme: long-term incentives serve to motivate, recognise and reward non-executive directors for their valuable contributions to the Company.

The Company has adopted the Share Option Scheme, 2021 Restricted Share Units Scheme and 2023 Restricted Share Units Scheme as incentive to eligible participants, details of which are set out in the sections headed "Share Option Scheme", "2021 Restricted Share Units Scheme" and " 2023 Restricted Share Units Scheme" respectively.

REMUNERATION STRUCTURE (Continued)

Variable Components (Continued)

Remuneration payable to members of senior management

Pursuant to code provision E.1.5 of the Corporate Governance Code, the annual remuneration of members of the senior management by band for the year ended 31 December 2024 is set out below:

	Number of members of senior management
RMB5,500,000 to RMB6,000,000	1
	1

Nomination committee

The Company established the nomination committee with written terms of reference in compliance with the Corporate Governance Code set forth in Appendix C1 to the Listing Rules on 5 June 2019. The primary duties of the nomination committee are to make recommendations to the Board on the appointment of members of the Board.

The nomination committee consists of two non-executive Directors, namely, Mr. John Thomas MCGINNIS and Mr. ZHANG Yinghao, and three independent non-executive Directors, namely, 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.

During the Reporting Period, the nomination committee convened one meeting in March 2024. The agenda of which is set out below:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board;
- assessing the independence of the independent non-executive Directors;
- considering and recommend to the Board the proposal for re-election of the retiring Directors;
- reviewing the Board diversity policy and the director nomination policy of the Company; and
- considering and recommending Mr. ZHANG Qi to the Board as the new non-executive Director and the member of the audit committee in accordance with the director nomination policy and board diversity policy of the Company.

BOARD COMMITTEES (Continued)

Nomination committee (Continued)

Nomination policy

The Company adopted a director nomination policy in accordance with the Corporate Governance Code. The director nomination policy sets out the selection criteria and process and the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The nomination committee utilises various methods for identifying candidates for directorship, including recommendations from Board members, management, and professional search firms. In addition, the nomination committee will consider candidates for directorship properly submitted by the Shareholders. The evaluation of candidates for directorship by the nomination committee may include, without limitation, review of resume and job history, personal interviews, verification of professional and personal references and performance of background checks. The Board will consider the recommendations of the nomination committee and is responsible for designating the candidates for directorship to be considered by the Shareholders for their election at the general meeting of the Company, or appointing the suitable candidate to act as Director to fill the Board vacancies or as an additional to the Board members, subject to compliance of the constitutional documents of the Company. All appointments of Director should be confirmed by letter of appointment and/or service contract setting out the key terms and conditions of the appointment of Directors.

The nomination committee should consider the following qualifications as a minimum to be required for a candidate in recommending to the Board to be a potential new Director, or the continued service of existing Director:

- the highest personal and professional ethics and integrity;
- proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;
- skills that are complementary to those of the existing Board;
- the ability to assist and support management and make significant contributions to the Company's success;
- an understanding of the fiduciary responsibilities that is required for a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities; and
- independence: the candidates for independent non-executive directorship should meet the "independence" criteria as required under the Listing Rules and the composition of the Board is in conformity with the provisions of the Listing Rules.

The nomination committee may also consider such other factors as it may deem are in the best interests of the Company and the Shareholders as a whole.

BOARD COMMITTEES (Continued)

Investment committee

The investment committee was established on 9 December 2021 for the purpose of, among others, considering potential investment projects and handling investment affairs of the Company. The primary duties of the investment committee are to provide market expertise and make recommendations to the Board on the investment project and asset allocation of the Company.

The investment committee consists of three members, two non-executive Directors, namely, Mr. John Thomas MCGINNIS and Mr. ZHANG Yinghao, and one executive Director, namely, Mr. CUI Zhihui. Mr. John Thomas MCGINNIS has been appointed as the chairman of the investment committee.

During the Reporting Period, the investment committee did not convene any meetings in 2024, due to the fact that the members of investment committee brought up investment related matters to the Board in 2024 to allow all Directors to discuss and make recommendations to investment strategy of the Company.

FINANCIAL REPORTING SYSTEM, RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Financial reporting system

The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. In preparation of the financial statements, IFRS Accounting Standards have been adopted and the appropriate accounting policies have been consistently used and applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the Shareholders, and make appropriate disclosure and announcements in a timely manner. Pursuant to code provision C.5.9 of the Corporate Governance Code, the management would provide such explanation and information as well as business development and also with management accounts and regular updates to the Board as will enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The work scope and reporting responsibilities of Deloitte Touche Tohmatsu, the Company's external auditor, are set out in the "Independent Auditor's Report" on pages 110 to 114 of this report.

Risk management and internal control system

The Board acknowledges its overall responsibility for maintaining an adequate and effective risk management and internal control systems of the Group on an ongoing basis and reviewing their effectiveness at least annually. The internal control system covers all major aspects of the Group's operations, including, among others, operations, procurement, financial reporting, human resource, legal and compliance, information technology, budgeting and accounting processes.

With respect to the Group's risk management and internal control measures, the Group has a set of comprehensive policies and guidelines which set out details regarding the internal control standards, segregation of responsibilities, approval procedures and personnel accountability in each aspect. The Group also carries out regular internal assessments and training to ensure its employees are equipped with sufficient knowledge on such policies and guidelines. Such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and aim to provide a reasonable, as opposed to an absolute assurance against material misstatement or loss. Under its framework, general management, finance and accounting departments are primarily responsible for the design, implementation and maintenance of the risk management and internal control systems, while the Board and the audit committee oversee the actions of management and monitor the effectiveness of these systems and to safeguard the Group's assets.

FINANCIAL REPORTING SYSTEM, RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Continued)

Risk management and internal control system (Continued)

The Company does not have an internal audit function while the Company has developed a quality assurance function responsible for some of internal audit functions in its business operations. The primary responsibility of quality assurance function is to ensure the authenticity of orders and the rationality of billings by establishing procedures of client review, candidate review and order review embedded in daily operations. The Board is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness and the Board would conduct the review annually.

The Group engaged an external consultant specialising in identifying and evaluation of significant risk of its business and operations. The external consultant does not have any connection with the Group and the Board believes that their involvement could enhance the objectivity and transparency of evaluation process. In conjunction with the Group's various departments and senior management, the external consultant conducts an annual assessment on risk management and internal control systems of the Group together with suggestion and solutions and submit to the Board for their consideration.

During the Reporting Period, the Group has implemented procedures and internal controls for the handling and dissemination of inside information. In particular, the Group:

- has conducted its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission in June 2012;

- has maintained a list of employees and personnel that may have access to or possess inside information of the Company when preparing the Company's financial reports;

- has established its own disclosure obligation procedures, which set out the procedures and controls for the assessment of potential inside information and the handling and dissemination of inside information. The procedures have been communicated to the senior management and staff of the Company, and their implementation was monitored by the Company; and

- has made broad, non-exclusive disclosure of information to the public through channels such as financial reports, public announcements and its website.

During the Reporting Period, the Group has also enhanced its control on human resource cycle in China and Hong Kong region by establishing and implementing policies and procedures on recruitment process and payroll approval process.

The risk management and internal control systems are reviewed and assessed on an on-going basis by the audit committee and the executive Director, and will be further reviewed and assessed at least once each year by the Board. During the Reporting Period, these systems were reviewed and considered effective and adequate.

AUDITOR'S REMUNERATION

The Company appointed Deloitte Touche Tohmatsu as the external auditor for the year ended 31 December 2024. A statement by Deloitte Touche Tohmatsu about their reporting responsibilities for the financial statements is included in the "Independent Auditor's Report" on pages 110 to 114 of this report.

For the year ended 31 December 2024, the remunerations payable to Deloitte Touche Tohmatsu in respect of its audit services and non-audit services are approximately RMB2,923,000 and RMB1,071,000 respectively. The amount for 2024 non-audit services consisted mainly of reviewing the group's interim result. The audit committee of the Company was satisfied that the non-audit services in 2024 did not affect the independence of the auditor.

JOINT COMPANY SECRETARIES

The Joint Company Secretaries are responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed.

Ms. GAO Xingyue, the Joint Company Secretary of the Company, is a full-time employee of the Company and familiar with the day-to-day affairs of the Company.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages an external service provider, Ms. TSUI Sum Yi, to provide secretarial service. Her primary contact person at the Company is Ms. GAO.

During the Reporting Period, Ms. GAO and Ms. TSUI have confirmed they have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

The biographies of Ms. GAO and Ms. TSUI are set out in the "Biographies of Directors and Senior Management" section on page 21 of this report.

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to Article 12.3 of the Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, of the issued shares of the Company which as at that date carry the right to vote at general meetings of the Company. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting forward proposals at general meeting

There are no provisions under the Articles of Association regarding procedures for shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

SHAREHOLDERS' RIGHTS (Continued)

Enquiries to the Board

Procedures for sending enquiries to the Board indicate Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary at the Company's principal place of business in Hong Kong at Rooms 2303–04, 9 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business performance and strategies. The Company recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The Company adopted the shareholders communication policy, which set out the framework the Company has put in place to promote effective communication with shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner. The shareholders communication policy will be reviewed on a regular basis by the Board.

The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the Company's website and the Stock Exchange's website; (iv) the Company's website offering communication channel between the Company and its stakeholders; (v) the Company's share registrar in Hong Kong serving the Shareholders in respect of all share registration matters; and (vi) convening investor meeting and/or analyst briefings, which led by our executive Directors and investor relations team with existing and potential investors.

The Company held its AGM on 26 June 2024. A total number of three shareholders, including their proxies or representatives attended the AGM and shares voted is 82.4% of the total issued shares of the Company. All resolutions proposed at the AGM were passed.

Having considered the multiple channels of communication and shareholders engagement in the general meeting held during the year, the Board is satisfied that the shareholders communication policy has been properly implemented during 2024 and is effective.

CONSTITUTIONAL DOCUMENTS

The Company adopted the fourth amended and restated Memorandum and Articles of Association on 26 June 2024. Save as disclosed, there had been no change to the Company's constitutional documents during the Reporting Period. The Company's latest Memorandum and Articles of Association is available on the Company's website and the Stock Exchange's website.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the "Model Code") as the guidelines for the Directors' dealings in the securities of the Company since the Listing.

Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

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

Directors' Report

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of HR services. An analysis of the Group's revenue and operating results for the year ended 31 December 2024 by its principal activities is set out in note 5 to the consolidated financial statements of the Group on pages 145 to 150 of this report.

RESULTS

The results of the Group for the year ended 31 December 2024 are set out in the section headed "Management Discussion and Analysis" of this report and the consolidated statement of profit or loss and other comprehensive income of the Group on pages 115 to 116 of this report.

BUSINESS REVIEW

A review of the business of the Group, including an analysis of the Group's financial performance using key performance indicators and a discussion of likely future developments in the business of the Group, is set out in the section headed "Management Discussion and Analysis" on pages 6 to 16 of this report. In addition, discussions on the Group's environmental protection policies, performance and relationships with employees, customers, suppliers and major stakeholders is set out in the section headed "Environmental, Social and Governance Report" of this report. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2024 are set out in note 38 to the consolidated financial statements on page 203 of this report. An account of the Company's key relationships with its employees, customers and suppliers, please refer to the sections headed "Management Discussion and Analysis — Employees, Remuneration Policy and Training" and "Directors' Report — Major Customers and Suppliers" of this report. These discussions form part of the Directors' Report.

Principal risks and uncertainties

There are certain principal risks and uncertainties faced by the Group in the normal course of business include: (i) geographical events such as a re-escalation in US-China tensions, the long tail of the COVID-19 outbreak and high inflation rate, which affect the demand of the Group's services; (ii) failure to retain existing clients and attract new clients; (iii) failure to compete successfully in a rapidly evolving market in which the Group operates and (iv) failure to maintain, protect and enhance the brands. However, the above is not exhaustive and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

In order to manage the Group's exposure to the aforementioned risks and to attract or retain clients, the Group has strived and will continue to strive to provide high-quality services or solutions valued by the business customers.

Compliance with the relevant laws and regulations

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance, with applicable laws and regulations by the Group.

GEOGRAPHICAL ANALYSIS OF OPERATION

An analysis of the Group's revenue from operations by geographical locations of customers for the year ended 31 December 2024 is set out in note 5 to the consolidated financial statements.

PROPERTY AND EQUIPMENT

Changes to the property and equipment of the Group during the Reporting Period are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the issued shares of the Company during the year ended 31 December 2024 are set out in note 28 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES OF THE COMPANY

Details of the movement in the reserves of the Company during the Reporting Period are set out on page 203 of this report. In respect of Company, the amount of reserves available for distribution under the Companies Act of the Cayman Islands as at 31 December 2024 was RMB0.3 billion.

FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2024 and the state of the Group's financial position as at that date are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Statement of Financial Position on pages 115 to 118 of this report.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company may declare and distribute dividends to the Shareholders, provided that the Group records a profit after tax and that the declaration and distribution of dividends does not affect the normal operations of the Group. In deciding whether to propose a dividend and in determining the dividend amount, the Board would take into account the Group's earnings, cash flow, financial condition, capital requirements, statutory fund reserve requirements and any other conditions that the Board may consider relevant. Whilst the Board will review from time to time for determination on proposed dividend with the above factors taken into account, there can be no assurance that dividends will be declared or paid in any particular amount for any given period.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK$0.31 per Share (equivalent to RMB0.29 per Share) amounting to a total of HK$64.3 million (equivalent to RMB60.2 million) for the year ended 31 December 2024 (the "2024 Proposed Final Dividend"), representing approximately 45% of the Group's profit attributable to owners of the Company for the year ended 31 December 2024. The 2024 Proposed Final Dividend is subject to the approval of the Shareholders at the AGM to be held on Thursday, 26 June 2025. The 2024 Proposed Final Dividend will be declared and paid in Hong Kong dollars.

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

DIRECTORS

The Directors during the Reporting Period and up to the date of this report were:

Name of Director	Position
Mr. CUI Zhihui	Executive Director
Mr. Colin Patrick Alan JONES	Non-executive Director
Mr. John Thomas MCGINNIS	Non-executive Director
Mr. ZHANG Yinghao	Non-executive Director
Mr. ZHAI Feng *(resigned on 28 August 2024)*	Non-executive Director
Mr. ZHANG Qi *(appointed on 28 August 2024)*	Non-executive Director
Mr. Thomas YEOH Eng Leong	Independent non-executive Director
Ms. WONG Man Lai Stevie	Independent non-executive Director
Mr. Victor HUANG	Independent non-executive Director

Note: Mr. ZHANG Qi obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 28 August 2024, and Mr. ZHANG confirmed that he understood his obligations as a Director.

In accordance with Article 16.2 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy in the Board or as an additional member of the Board shall hold office only until the first annual general meeting after his appointment and shall then be eligible for re-election at such meeting. In addition, in accordance with Article 16.19 of the Articles of Association, at each annual general meeting 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 be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Pursuant to Article 16.19 of the Articles of Association, Mr. CUI Zhihui, Mr. Colin Patrick Alan JONES and Mr. Victor HUANG shall retire by rotation and being eligible, have offered for re-election at the forthcoming AGM to be held on Thursday, 26 June 2025 (the "2025 AGM").

Pursuant to Article 16.12 of the Articles of Association, Mr. ZHANG Qi, being a new Director appointed on 28 August 2024 shall hold office until the conclusion of the 2025 AGM and being eligible, shall offer himself for re-election at the 2025 AGM.

DIRECTORS' SERVICE CONTRACTS

The executive Director has entered into a service agreement with the Company for an initial term of three years commencing from 31 March 2021 unless terminated by not less than three months' notice in writing served by either party on the other. The executive Director has further entered into a renewed service contract with the Company for a term commencing on 31 March 2024 and shall thereafter continue to last for another period of three years unless terminated by not less than three months' notice in writing served by either party on the other. He is subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles of Association.

Each of the non-executive Directors, other than Mr. Colin Patrick Alan JONES and Mr. ZHANG Qi, has entered into a letter of appointment with the Company for an initial term of three years commencing from the Listing Date. Each of non-executive Directors, other than Mr. Colin Patrick Alan JONES and Mr. ZHANG Qi, has further entered into a revised letter of appointment with the Company for a term commencing on 9 September 2021 and ending on 9 July 2022 and shall thereafter continue to last for another period of three years unless terminated by not less than three months' notice in writing served by either party on the other. Mr. Colin Patrick Alan JONES has entered into a letter of appointment with the Company for an initial term of three years commencing from 29 June 2023 unless terminated by not less than three months' notice in writing served by either party on the other. Mr. ZHANG Qi has entered into a letter of appointment with the Company for an initial term of three years commencing from 28 August 2024 unless terminated by not less than three months' notice in writing served by either party on the other. All non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles of Association.

DIRECTORS' SERVICE CONTRACTS (Continued)

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of one year commencing from the Listing Date. Each of the independent non-executive Directors has further entered into a revised letter of appointment with the Company for a term of one year from 9 September 2021 unless extended pursuant to mutual agreement between the Company and the independent non-executive Director or terminated by not less than three months' notice in writing served by either party on the other. The letter of appointment of each independent non-executive Directors have been renewed for another term of 1 year commencing from 9 September 2022 and ending on 8 September 2023 and shall thereafter continue to renew for another period of one year on annual basis unless otherwise. The letter of appointment of each independent non-executive Directors has been renewed for a term of one year commencing from 1 April 2024 and ending on 31 March 2025 and shall thereafter continue to renew for another period of one year on annual basis unless otherwise terminated by not less than 30 day' notice in writing served by either party on the other. All independent non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance to the Articles of Association.

None of the Directors who are proposed for election or re-election at the 2025 AGM has a service contract or appointment letter with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

REMUNERATION OF THE DIRECTORS

Details of remuneration of the Directors during the Reporting Period are set out in note 11 to the consolidated financial statements.

None of the Directors has waived or agreed to waive any emoluments for the year ended 31 December 2024.

EMOLUMENT POLICY

A remuneration committee was set up to make recommendations on the Company's emolument policy and structure for all remuneration of the Directors and senior management of the Group on the basis of their merit, qualifications and competence.

The Company has adopted the Share Option Scheme, 2021 Restricted Share Units Scheme and 2023 Restricted Share Units Scheme as incentive to eligible employees, details of which are set out in the sections headed "Share Option Scheme", " 2021 Restricted Share Units Scheme" and "2023 Restricted Share Units Scheme" respectively.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out in the section headed "Biographies of Directors and Senior Management" of this report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, save as otherwise disclosed under the section headed "Directors' Report — Continuing connected transactions" of this report, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group.

NON-COMPETITION UNDERTAKINGS

Each of MAN and CM Phoenix Tree Limited declared that during the Reporting Period it had complied with the undertakings given under the MAN Deed of Non-competition and CPE Deed of Non-competition, respectively, as disclosed in the Prospectus.

The independent non-executive Directors did not notice any incident of non-compliance of such undertakings and have reviewed the status of compliance with the undertakings under the MAN Deed of Non-competition by MAN and CPE Deed on Non-competition by CM Phoenix Tree Limited and confirmed that such non-competition undertakings have been complied with during the Reporting Period.

RETIREMENT BENEFITS PLAN

Details of retirement benefits plan of the Group for the relevant year are set out in note 30 to the consolidated financial statements.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID EMPLOYEES

Details of the Directors' remuneration and five highest paid employees for the relevant year are set out in notes 11 and 12 to the consolidated financial statements.

DISCLOSURE OF CHANGE IN DIRECTOR'S INFORMATION

The change in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

– Mr. Victor HUANG has been appointed as chairman of audit committee Giordano International Limited, a company listed on the Main Board of the Stock Exchange (stock code: 709), with effect from 25 June 2024.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SHARE OPTION SCHEME

The Company approved and adopted a share option scheme on 5 June 2019 (the "Share Option Scheme"). The Share Option Scheme is subject to the requirements under Chapter 17 of the Listing Rules.

Details of the Share Option Scheme

(1) Purpose

The purpose of the Share Option Scheme is to motivate the participants to optimise their performance efficiency for the benefit of the Group and to attract and retain or otherwise maintain an on-going business relationship with the participants whose contributions are or will be beneficial to the long-term growth of the Group.

(2) Participants

Any individual, being a full-time or part-time employee, executive, officer, or director (including non-executive director and independent non-executive director) of the Group who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group is entitled to be offered and granted options.

(3) The maximum number of Shares available for issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 20,000,000 Shares. The number of the options available for grant under the Share Option Scheme was 14,298,500 Shares (representing approximately 6.9% of the Company's issued shares as at the date of this report).

SHARE OPTION SCHEME (Continued)

Details of the Share Option Scheme (Continued)

(4) The maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

(5) Time of acceptance and exercise of option

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

(6) Vesting period of options granted under the Share Option Scheme

Subject to the terms of the Share Option Scheme and the Listing Rules, the Board has the sole discretion to determine the vesting schedule and vesting conditions (including, without limitation, conditions as to performance criteria to be satisfied by the participant and/or the Group) for any grant of option to any participant, which shall be stated in the grant letter.

(7) Amount payable on application or acceptance of the option

The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$/RMB/MOP/NTD1.

(8) Subscription price for Shares

The subscription price per Share under the Share Option Scheme will be a price determined by the Board in its absolute discretion, but must be at least the higher of:

(i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet 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 price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer of the option; and

(iii) the nominal value of a Share.

(9) The duration of the Share Option Scheme

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 ten years after it has been granted. No option may be granted more than ten years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years from the date of its adoption. The remaining life of the Share Option Scheme is approximately five years and three months as at the date of this report.

For further details of the Share Option Scheme, please refer to the section headed "Statutory and General Information — D. Other information — 1. Share Option Scheme" in Appendix IV to the Prospectus.

SHARE OPTION SCHEME (Continued)

Details of the share option granted

The following table sets forth the particulars of the movements of share options granted under the Share Option Scheme during the Reporting Period:

Grantees	Date of grant	Exercise price per Share (HK$)	Exercise period	Outstanding as at 1 January 2024	Changes during the year ended 31 December 2024 Granted (Note a)	Exercised	Lapsed/ Forfeited	Outstanding as at 31 December 2024
Mr. CUI Zhihui	20 Sep 2019 (Note b)	10.94	20 Sep 2022 – 20 Sep 2025	150,000	–	–	–	150,000
(Executive Director)	8 April 2020 (Note c)	8.76	8 April 2022 – 8 April 2025	112,500	–	–	–	112,500
	8 April 2020 (Note c)	8.76	8 April 2023 – 8 April 2026	112,500	–	–	–	112,500
	9 April 2021 (Note d)	10.00	9 April 2022 – 9 April 2025	150,000	–	–	–	150,000
	9 April 2021 (Note d)	10.00	9 April 2023 – 9 April 2026	150,000	–	–	–	150,000
	31 March 2022 (Note e)	8.61	31 March 2023 – 31 March 2026	150,000	–	–	–	150,000
	31 March 2022 (Note e)	8.61	31 March 2024 – 31 March 2027	200,000	–	–	(50,000)	150,000
Other Employees	20 Sep 2019 (Note b)	10.94	20 Sep 2022 – 20 Sep 2025	1,102,500	–	–	(193,500)	909,000
	8 April 2020 (Note c)	8.76	8 April 2022 – 8 April 2025	607,125	–	–	(85,500)	521,625
	8 April 2020 (Note c)	8.76	8 April 2023 – 8 April 2026	608,625	–	–	(85,500)	523,125
	9 April 2021 (Note d)	10.00	9 April 2022 – 9 April 2025	794,250	–	–	(102,750)	691,500
	9 April 2021 (Note d)	10.00	9 April 2023 – 9 April 2026	794,250	–	–	(102,750)	691,500
	31 March 2022 (Note e)	8.61	31 March 2023 – 31 March 2026	811,125	–	–	(111,750)	699,375
	31 March 2022 (Note e)	8.61	31 March 2024 – 31 March 2027	1,081,500	–	–	(382,125)	699,375
Total				6,824,375	–	–	(1,113,875)	5,710,500

Notes:

a. The closing price of the Shares immediately before the date the options were granted on 20 September 2019, 8 April 2020, 9 April 2021 and 31 March 2022 was HK$10.68 per Share, HK$8.8 per Share, HK$10.0 per Share and HK$8.36 per Share respectively.

b. The options shall be vested on 20 September 2022 conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit.

c. The 50% of options shall be vested on 7 April 2022 and another 50% of options shall be vested on 7 April 2023 conditional upon fulfilment of the revised performance targets resolved by the Board on 9 April 2021.

SHARE OPTION SCHEME (Continued)

Details of the share option granted (Continued)

Notes: (Continued)

d. The options shall be vested in two tranches. The 50% of the options (the "Tranche 1 options") shall be vested on 8 April 2022 and another 50% of the options (the "Tranche 2 options") shall be vested on 8 April 2023. The 25% of Tranche 1 options and Tranche 2 options shall be vested with no performance targets and 75% of Tranche 1 options and Tranche 2 options shall be vested conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit.

e. The options shall be vested in two tranches. The 50% of the options (the "Tranche 1 options") shall be vested on 30 March 2023 and another 50% of the options (the "Tranche 2 options") shall be vested on 30 March 2024. The 25% of Tranche 1 options and Tranche 2 options shall be vested with no performance targets and 75% of Tranche 1 options and Tranche 2 options shall be vested conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit.

f. The estimated fair values of the options granted on 20 September 2019, 8 April 2020, 9 April 2021 and 31 March 2022 are approximately RMB4,370,000, RMB3,762,000, RMB5,703,000 and RMB5,066,000 respectively.

g. For the model used in determining the value of the options, please refer to note 29 to the consolidated financial statements on page 176 of this report. For the accounting standard and policy adopted, please refer to note 3.2 to the consolidated financial statements on page 134 of this report.

h. The weighted average closing price immediately before the exercise date is not applicable because no option was exercised during the Reporting Period.

i. There are no participants with options granted in excess of the individual limit and no grants to suppliers of goods and services.

j. In respect of the Share Option Scheme, the number of share options available for grant under the Share Option Scheme was 13,175,625 Shares as at 1 January 2024 and 14,289,500 Shares as at 31 December 2024.

k. The number of Shares that may be issued in respect of options granted under the Share Option Scheme during the year ended 31 December 2024 divided by the weighted average number of the Shares in issue for the year ended 31 December 2024 is 2.8%.

l. No share options were cancelled during the year ended 31 December 2024.

Save as disclosed above, no share options were granted or agreed to be granted under the Share Option Scheme during the Reporting Period.

RESTRICTED SHARE UNITS SCHEMES

Details of the 2021 Restricted Share Units Scheme

The Company adopted a restricted share units scheme ("2021 RSU Scheme") on 10 June 2021 (the "Adoption Date I") with the major terms and details set out below:

(1) Purpose

The purpose of the 2021 RSU Scheme is to recognise and reward the participants for their contributions to the Group and attract, retain or otherwise maintain an on-going business relationship with the participants whose contributions are or will be beneficial to the long-term growth of the Group.

(2) Eligibility

Participants of the 2021 RSU Scheme include any full-time or part-time employee, director (including any executive or non-executive director) and officer of any member of the Group but excluding any excluded participant.

(3) Term

Subject to any early termination as may be determined by the Board pursuant to the terms of the 2021 RSU Scheme, the 2021 RSU Scheme shall be valid and effective for ten (10) years commencing on the Adoption Date I. The remaining life of the 2021 RSU Scheme is approximately six years and two months.

RESTRICTED SHARE UNITS SCHEMES (Continued)

Details of the 2021 Restricted Share Units Scheme (Continued)

(4) Appointment of the Trustee

The Company has entered into the trust deed dated 10 June 2021 (the "Trust Deed I") to appoint Unity Trust Limited as the trustee (the "Trustee") to assist with the administration of the 2021 RSU Scheme and the vesting of awards to be granted pursuant to the 2021 RSU Scheme. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Trustee is an independent third party.

Subject to compliance with the terms of the 2021 RSU Scheme, the Listing Rules, the memorandum and articles of association of the Company and other applicable laws, rules and regulations, the Company may at any time at its sole and absolute discretion (i) instruct the Trustee to purchase existing Shares (either on-market or off-market); and/or (ii) allot and issue new Shares to the Trustee for the purpose of satisfying the RSU that are vested under the 2021 RSU Scheme. The Trustee shall hold any Shares so allotted, issued or purchased until such Shares are transferred to the grantees or to the nominee account in accordance with the terms of the 2021 RSU Scheme and the Trust Deed I.

The Company shall procure that sufficient funds are provided to the Trustee to enable the Trustee to satisfy its obligation in connection with the administration of the 2021 RSU Scheme.

(5) Grant and acceptance

On and subject to the terms of the 2021 RSU Scheme and the Listing Rules, the Board may at any time during the term of the 2021 RSU Scheme make an offer of the grant of award to any participant of such number of RSUs as the Board may in its absolute discretion determine. The Board will notify any selected participant and specify in the grant letter (i) the name of the selected participant; (ii) the manner of acceptance of the award; (iii) the number of RSUs granted and the number of underlying Shares represented by such RSUs; (iv) the vesting schedule and vesting conditions (if any); and (v) such other terms and conditions of the grant as the Board shall determine.

A selected participant may accept an offer of grant of RSUs in such manner and within such period as set out in the grant letter. Upon acceptance of an offer, the selected participant would become a grantee under the 2021 RSU Scheme.

(6) Vesting

Subject to the terms of the 2021 RSU Scheme, the Board has the sole discretion to determine the vesting schedule and vesting conditions (including, without limitation, conditions as to performance criteria to be satisfied by the participant and/or the Group) for any grant of award to any participant, which shall be stated in the grant letter.

Within a reasonable time after the vesting conditions (if any) and schedule have been fulfilled or waived, the Board shall send a vesting notice to the relevant grantee setting out, inter alias, (a) the extent to which the vesting conditions (if any) and schedule have been fulfilled or waived; (b) the number of Shares (and, if so clearly specified in the grant letter by the Board in its entire discretion, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) the grantee will receive; (c) any trust arrangement of the Shares to be obtained by the grantee (if applicable); and (d) the lock-up arrangement or other restrictions for such Shares (if applicable).

Subject to the terms of the 2021 RSU Scheme and the grant letter, the RSUs which have vested shall be satisfied, within a reasonable period from the vesting date of such RSUs, by the Board directing and procuring the Trustee to transfer the Shares underlying the award (and, if so clearly specified in the grant letter by the Board in its entire discretion, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the grantee or to the nominee account.

RESTRICTED SHARE UNITS SCHEMES (Continued)

Details of the 2021 Restricted Share Units Scheme (Continued)

(7) Maximum number of underlying Shares

No RSU shall be granted pursuant to the 2021 RSU Scheme if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made pursuant to the 2021 RSU Scheme (excluding RSUs that have lapsed or been cancelled in accordance with the terms of the 2021 RSU Scheme) will exceed 2.5% of the number of Shares in issue from time to time. The number of the RSUs available for grant under the 2021 RSU Scheme was 435,226 RSUs (representing approximately 0.2% of the Company's issued shares as at the date of this report).

(8) Amount payable on acceptance of the RSU

Grantees are not required to make any payment in respect of the RSUs granted.

(9) Rights attached to Awards

Neither the grantee nor the Trustee shall enjoy any right of a Shareholder by virtue of a grant of RSUs pursuant to the 2021 RSU Scheme, unless and until such Shares underlying the RSUs are actually issued or transferred to the grantee or the nominee account operated by the Trustee on behalf of the grantees (as the case may be) upon the vesting of the RSUs. The Board shall have the sole and absolute discretion to determine whether or not a grantee shall have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the RSUs.

For further details of the 2021 RSU Scheme, please refer to the announcements of the Company dated 10 June 2021 and 16 June 2021.

Details of the 2023 Restricted Share Units Scheme

The Company has adopted the 2023 RSU Scheme on 22 November 2023 (the "Adoption Date II") with the major terms and details set out below:

(1) Purpose

The purpose of the 2023 RSU Scheme is to recognise and reward the participants for their contributions to the Group and attract, retain or otherwise maintain an on-going business relationship with the participants whose contributions are or will be beneficial to the long-term growth of the Group.

(2) Eligibility

Participants of the 2023 RSU Scheme include any full-time or part-time employee, director (including any executive or non-executive director) and officer of any member of the Group, the Company's associated corporation(s) and investee company(ies) but excluding any excluded participant.

(3) Term

Subject to any early termination as may be determined by the Board pursuant to the terms of the 2023 RSU Scheme, the 2023 RSU Scheme shall be valid and effective for ten (10) years commencing on the Adoption Date II. The remaining life of the 2023 RSU Scheme is approximately eight years and seven months.

RESTRICTED SHARE UNITS SCHEMES (Continued)

Details of the 2023 Restricted Share Units Scheme (Continued)

(4) Appointment of the Trustee

The Company has entered into the trust deed dated 22 November 2023 (the "Trust Deed II") to appoint Unity Trust Limited as the trustee (the "Trustee") to assist with the administration of the 2023 RSU Scheme and the vesting of awards to be granted pursuant to the 2023 RSU Scheme. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Trustee is an independent third party.

Subject to compliance with the terms of the 2023 RSU Scheme, the Listing Rules, the memorandum and articles of association of the Company and other applicable laws, rules and regulations, the Company may at any time at its sole and absolute discretion instruct the Trustee to purchase existing Shares (either on-market or off-market) for the purpose of satisfying the RSUs that are vested under the 2023 RSU Scheme. The Trustee shall hold any Shares so allotted, issued or purchased until such Shares are transferred to the grantees or to the nominee account in accordance with the terms of the 2023 RSU Scheme and the Trust Deed II.

The Company shall procure that sufficient funds are provided to the Trustee to enable the Trustee to satisfy its obligation in connection with the administration of the 2023 RSU Scheme.

(5) Grant and acceptance

On and subject to the terms of the 2023 RSU Scheme and the Listing Rules, the Board may at any time during the term of the 2023 RSU Scheme make an offer of the grant of award to any participant of such number of RSUs as the Board may in its absolute discretion determine. The Board will notify any selected participant and specify in the grant letter (i) the name of the selected participant; (ii) the manner of acceptance of the award; (iii) the number of RSUs granted and the number of underlying Shares represented by such RSUs; (iv) the vesting schedule and vesting conditions (if any); and (v) such other terms and conditions of the grant as the Board shall determine. A selected participant may accept an offer of grant of RSUs in such manner and within such period as set out in the grant letter. Upon acceptance of an offer, the selected participant would become a grantee under the 2023 RSU Scheme.

(6) Vesting

Subject to the terms of the 2023 RSU Scheme, the Board has the sole discretion to determine the vesting schedule and vesting conditions (including, without limitation, conditions as to performance criteria to be satisfied by the participant and/or the Group) for any grant of award to any participant, which shall be stated in the grant letter. Within a reasonable time after the vesting conditions (if any) and schedule have been fulfilled or waived, the Board shall send a vesting notice to the relevant grantee setting out, inter alias, (a) the extent to which the vesting conditions (if any) and schedule have been fulfilled or waived; (b) the number of Shares (and, if so clearly specified in the grant letter by the Board in its entire discretion, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) the grantee will receive; (c) any trust arrangement of the Shares to be obtained by the grantee (if applicable); and (d) the lock-up arrangement or other restrictions for such Shares (if applicable).

Subject to the terms of the 2023 RSU Scheme and the grant letter, the RSUs which have vested shall be satisfied, within a reasonable period from the vesting date of such RSUs, by the Board directing and procuring the Trustee to transfer the Shares underlying the award (and, if so clearly specified in the grant letter by the Board in its entire discretion, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the grantee or to the nominee account.

RESTRICTED SHARE UNITS SCHEMES (Continued)

Details of the 2023 Restricted Share Units Scheme (Continued)

(7) Maximum number of underlying Shares

No RSU shall be granted pursuant to the 2023 RSU Scheme if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made pursuant to the 2023 RSU Scheme (excluding RSUs that have lapsed or been cancelled in accordance with the terms of the 2023 RSU Scheme) will exceed 10% of the number of Shares in issue from time to time. The number of the RSUs available for grant under the 2023 RSU Scheme was 19,579,650 RSUs (representing approximately 9.4% of the Company's issued shares as at the date of this report).

(8) Amount payable on acceptance of the RSU

Grantees are not required to make any payment in respect of the RSUs granted.

(9) Rights attached to Awards

Neither the grantee nor the Trustee shall enjoy any right of a Shareholder by virtue of a grant of RSUs pursuant to the 2023 RSU Scheme, unless and until such Shares underlying the RSUs are actually issued or transferred to the grantee or the nominee account operated by the Trustee on behalf of the grantees (as the case may be) upon the vesting of the RSUs. The Board shall have the sole and absolute discretion to determine whether or not a grantee shall have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the RSUs.

For further details of the 2023 RSU Scheme, please refer to the announcement of the Company dated 22 November 2023.

Details of the Restricted Share Units granted

On 8 April 2024, the Board approved the grant of an aggregate of 1,622,850 RSUs ("2024 RSU Scheme I Awards") (representing 1,622,850 underlying Shares and amounting to approximately 0.78% of the issued share capital of the Company) to selected participants ("2024 Scheme I Grantee(s)") in accordance with the terms of the 2021 RSU Scheme. On 8 April 2024, the Board further approved the grant of an aggregate of 1,267,850 RSUs ("2024 RSU Scheme II Awards") (representing 1,267,850 underlying Shares and amounting to approximately 0.61% of the issued share capital of the Company) to selected participants ("2024 Scheme II Grantee(s)") in accordance with the terms of the 2023 RSU Scheme. The 2024 Scheme I Grantees and 2024 Scheme II Grantees are not required to make any payment in respect of the 2024 RSU Scheme I Awards and 2024 RSU Scheme II Awards.

Among the 2024 RSU Scheme I Awards, (i) 488,850 RSUs (representing 488,850 underlying Shares) were granted to Mr. CUI Zhihui, an executive Director; (ii) 27,000 RSUs (representing 27,000 underlying Shares) were granted to each of Mr. John Thomas MCGINNIS, Mr. ZHANG Yinghao, Mr. ZHAI Feng and Mr. Colin Patrick Alan JONES, non-executive Directors; (iii) 27,000 RSUs (representing 27,000 underlying Shares) were granted to each of Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG, independent non-executive Directors; and (iv) an aggregate of 380,000 RSUs (representing 380,000 underlying Shares) were granted to six selected participants, each of whom is a director of the subsidiaries of the Company.

Among the 2024 RSU Scheme II Awards, (i) 488,850 RSUs (representing 488,850 underlying Shares) were granted to Mr. CUI Zhihui, an executive Director; (ii) 27,000 RSUs (representing 27,000 underlying Shares) were granted to each of Mr. John Thomas MCGINNIS, Mr. ZHANG Yinghao, Mr. ZHAI Feng and Mr. Colin Patrick Alan JONES, non-executive Directors; (iii) 27,000 RSUs (representing 27,000 underlying Shares) were granted to each of Mr. Thomas YEOH Eng Leong, Ms. WONG Man Lai Stevie and Mr. Victor HUANG, independent non-executive Directors; and (iv) an aggregate of 440,000 RSUs (representing 440,000 underlying Shares) were granted to six selected participants, each of whom is a director of the subsidiaries of the Company.

The 2024 RSU Scheme I Awards and 2024 RSU Scheme II Awards will be satisfied, upon the satisfaction or waiver (as the case may be) of all the relevant vesting conditions, by existing Shares to be acquired by the Trustee through on-market purchases. The Trustee purchased 470,000 Shares during the Reporting Period.

RESTRICTED SHARE UNITS SCHEMES (Continued)

Details of the Restricted Share Units granted (Continued)

The following table sets forth the particulars of the movements of RSUs granted under the 2021 RSU Scheme during the Reporting Period:

Name of grantees of RSUs	Date of Grant	Date of Vesting	Number of RSUs outstanding as of 1 January 2024	Granted during the Reporting Period	Lapsed/Forfeited during the Reporting Period	Vested during the Reporting Period	Number of RSUs outstanding as of 31 December 2024
Mr. CUI Zhihui (Executive Director)	10 June 2021 *(Note b)*	10 June 2024	130,000	–	–	(130,000)	–
	31 March 2022 *(Note d)*	31 March 2025	200,000	–	–	–	200,000
	30 March 2023 *(Note e)*	30 March 2024	140,000	–	(46,760)	(93,240)	–
	30 March 2023 *(Note f)*	30 March 2025	140,000	–	–	–	140,000
	30 March 2023 *(Note g)*	30 March 2026	280,000	–	–	–	280,000
	8 April 2024 *(Note h)*	8 April 2027	–	488,850	–	–	488,850
Mr. John Thomas MCGINNIS	9 September 2021 *(Note c)*	9 September 2024	13,015	–	–	(13,015)	–
(Non-executive Director)	31 March 2022 *(Note d)*	31 March 2025	13,000	–	–	–	13,000
	30 March 2023 *(Note e)*	30 March 2024	9,000	–	(3,006)	(5,994)	–
	30 March 2023 *(Note f)*	30 March 2025	9,000	–	–	–	9,000
	30 March 2023 *(Note g)*	30 March 2026	18,000	–	–	–	18,000
	8 April 2024 *(Note h)*	8 April 2027	–	27,000	–	–	27,000
Mr. ZHANG Yinghao	9 September 2021 *(Note c)*	9 September 2024	13,015	–	–	(13,015)	–
(Non-executive Director)	31 March 2022 *(Note d)*	31 March 2025	13,000	–	–	–	13,000
	30 March 2023 (Note e)	30 March 2024	9,000	–	(3,006)	(5,994)	–
	30 March 2023 *(Note f)*	30 March 2025	9,000	–	–	–	9,000
	30 March 2023 *(Note g)*	30 March 2026	18,000	–	–	–	18,000
	8 April 2024 *(Note h)*	8 April 2027	–	27,000	–	–	27,000
Mr. ZHAI Feng	9 September 2021 *(Note c)*	9 September 2024	13,015	–	(13,015)	–	–
(Non-executive Director)	31 March 2022 *(Note d)*	31 March 2025	13,000	–	(13,000)	–	–
(resigned on 28 August 2024)	30 March 2023 *(Note e)*	30 March 2024	9,000	–	(3,006)	(5,994)	–
	30 March 2023 *(Note f)*	30 March 2025	9,000	–	(9,000)	–	–
	30 March 2023 *(Note g)*	30 March 2026	18,000	–	(18,000)	–	–
	8 April 2024 *(Note h)*	8 April 2027	–	27,000	(27,000)	–	–

RESTRICTED SHARE UNITS SCHEMES (Continued)

Details of the Restricted Share Units granted (Continued)

The following table sets forth the particulars of the movements of RSUs granted under the 2021 RSU Scheme during the Reporting Period: (Continued)

Name of grantees of RSUs	Date of Grant	Date of Vesting	Number of RSUs outstanding as of 1 January 2024	Granted during the Reporting Period	Lapsed/Forfeited during the Reporting Period	Vested during the Reporting Period	Number of RSUs outstanding as of 31 December 2024
Mr. Colin Patrick Alan JONES (Non-executive Director)	8 April 2024 *(Note h)*	8 April 2027	–	27,000	–	–	27,000
Mr. Thomas YEOH Eng Leong (Independent non-executive Director)	9 September 2021 *(Note c)*	9 September 2024	13,015	–	–	(13,015)	–
	31 March 2022 *(Note d)*	31 March 2025	13,000	–	–	–	13,000
	30 March 2023 *(Note e)*	30 March 2024	9,000	–	(3,006)	(5,994)	–
	30 March 2023 *(Note f)*	30 March 2025	9,000	–	–	–	9,000
	30 March 2023 *(Note g)*	30 March 2026	18,000	–	–	–	18,000
	8 April 2024 *(Note h)*	8 April 2027	–	27,000	–	–	27,000
Ms. WONG Man Lai Stevie (Independent non-executive Director)	9 September 2021 *(Note c)*	9 September 2024	13,015	–	–	(13,015)	–
	31 March 2022 *(Note d)*	31 March 2025	13,000	–	–	–	13,000
	30 March 2023 *(Note e)*	30 March 2024	9,000	–	(3,006)	(5,994)	–
	30 March 2023 *(Note f)*	30 March 2025	9,000	–	–	–	9,000
	30 March 2023 *(Note g)*	30 March 2026	18,000	–	–	–	18,000
	8 April 2024 *(Note h)*	8 April 2027	–	27,000	–	–	27,000
Mr. Victor HUANG (Independent non-executive Director)	9 September 2021 *(Note c)*	9 September 2024	13,015	–	–	(13,015)	–
	31 March 2022 *(Note d)*	31 March 2025	13,000	–	–	–	13,000
	30 March 2023 *(Note e)*	30 March 2024	9,000	–	(3,006)	(5,994)	–
	30 March 2023 *(Note f)*	30 March 2025	9,000	–	–	–	9,000
	30 March 2023 *(Note g)*	30 March 2026	18,000	–	–	–	18,000
	8 April 2024 *(Note h)*	8 April 2027	–	27,000	–	–	27,000
Employees	10 June 2021 *(Note b)*	10 June 2024	359,000	–	–	(359,000)	–
	31 March 2022 *(Note d)*	31 March 2025	388,000	–	(19,000)	–	369,000
	30 March 2023 *(Note e)*	30 March 2024	330,000	–	(70,730)	(259,270)	–
	30 March 2023 *(Note f)*	30 March 2025	330,000	–	(30,000)	–	300,000
	30 March 2023 *(Note g)*	30 March 2026	652,000	–	(15,000)	–	637,000
	8 April 2024 *(Note h)*	8 April 2027	–	945,000	(80,000)	–	865,000
			3,321,090	1,622,850	(359,541)	(942,549)	3,641,850

RESTRICTED SHARE UNITS SCHEMES (Continued)

Details of the Restricted Share Units granted (Continued)

The following table sets forth the particulars of the movements of RSUs granted under the 2021 RSU Scheme during the Reporting Period: (Continued)

Notes:

a. The closing price of the Shares immediately before the date the RSUs were granted on 10 June 2021, 9 September 2021, 31 March 2022, 30 March 2023 and 8 April 2024 was HK$9.25 per Share, HK$9.21 per Share, HK$10.0 per Share, HK$6.83 per Share and HK$5.00 per Share respectively.

b. The RSUs shall be vested on 10 June 2024 conditional upon fulfilment of the vesting conditions resolved by the Board on 10 June 2021.

c. The RSUs shall be vested on 9 September 2024, subject to the relevant grantee remaining as a director of the Company or its subsidiaries as at the vesting date.

d. The RSUs shall be vested on 31 March 2025, subject to the relevant grantee remaining as a director or employee of the Company or its subsidiaries as at the vesting date.

e. The RSUs shall be vested on 30 March 2024 conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit or individual performance level.

f. The RSUs shall be vested on 30 March 2025 conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit or individual performance level.

g. The RSUs shall be vested on 30 March 2026, subject to the relevant grantee remaining as a director or employee of the Company or its subsidiaries as at the vesting date.

h. The RSUs shall be vested on 8 April 2027, subject to the relevant grantee remaining as a director or employee of the Company or its subsidiaries as at the vesting date.

i. The estimated fair values of the RSUs granted on 10 June 2021, 9 September 2021, 31 March 2022, 30 March 2023 and 8 April 2024 are approximately HK$6.97 million, HK$0.83 million, HK$8.88 million, HK$17.0 million and HK$7.9 million respectively. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date.

j. For the accounting standard and policy adopted, please refer to note 3.2 to the consolidated financial statements on page 134 of this report.

k. The weighted average closing price immediately before the dates on which the RSUs were vested in 2024 was HK$5.16 per Share.

l. In respect of the 2021 RSU Scheme, the number of RSUs available for grant under the 2021 RSU Scheme was 1,698,535 RSUs as at 1 January 2024 and 435,226 RSUs as at 31 December 2024.

m. The number of Shares that may be issued in respect of RSUs granted under the 2021 RSU Scheme during the year ended 31 December 2024 divided by the weighted average number of the Shares in issue for the year ended 31 December 2024 is nil as the award Shares are satisfied by on-market purchase of existing Shares.

n. No RSUs were cancelled during the year ended 31 December 2024.

Save as disclosed above, no RSUs were granted or agreed to be granted under the 2021 RSU Scheme during the Reporting Period.

RESTRICTED SHARE UNITS SCHEMES (Continued)

Details of the Restricted Share Units granted (Continued)

The following table sets forth the particulars of the movements of RSUs granted under the 2023 RSU Scheme during the Reporting Period:

Name of grantees of RSUs	Date of Grant	Date of Vesting	Number of RSUs outstanding as of 1 January 2024	Granted during the Reporting Period	Lapsed/ Forfeited during the Reporting Period	Vested during the Reporting Period	Number of RSUs outstanding as of 31 December 2024
Mr. CUI Zhihui	8 April 2024 *(Note b)*	8 April 2025	–	162,950	–	–	162,950
(Executive Director)	8 April 2024 *(Note c)*	8 April 2026	–	162,950	–	–	162,950
	8 April 2024 *(Note d)*	8 April 2027	–	162,950	–	–	162,950
Mr. John Thomas MCGINNIS	8 April 2024 *(Note b)*	8 April 2025	–	9,000	–	–	9,000
(Non-executive Director)	8 April 2024 *(Note c)*	8 April 2026	–	9,000	–	–	9,000
	8 April 2024 *(Note d)*	8 April 2027	–	9,000	–	–	9,000
M. ZHANG Yinghao	8 April 2024 *(Note b)*	8 April 2025	–	9,000	–	–	9,000
(Non-executive Director)	8 April 2024 *(Note c)*	8 April 2026	–	9,000	–	–	9,000
	8 April 2024 *(Note d)*	8 April 2027	–	9,000	–	–	9,000
Mr. ZHAI Feng	8 April 2024 *(Note b)*	8 April 2025	–	9,000	(9,000)	–	–
(Non-executive Director)	8 April 2024 *(Note c)*	8 April 2026	–	9,000	(9,000)	–	–
(resigned on 28 August 2024)	8 April 2024 *(Note d)*	8 April 2027	–	9,000	(9,000)	–	–
Mr. Colin Patrick Alan JONES	8 April 2024 *(Note b)*	8 April 2025	–	9,000	–	–	9,000
(Non-executive Director)	8 April 2024 *(Note c)*	8 April 2026	–	9,000	–	–	9,000
	8 April 2024 *(Note d)*	8 April 2027	–	9,000	–	–	9,000
Mr. Thomas YEOH Eng Leong	8 April 2024 *(Note b)*	8 April 2025	–	9,000	–	–	9,000
(Independent non-executive Director)	8 April 2024 *(Note c)*	8 April 2026	–	9,000	–	–	9,000
	8 April 2024 *(Note d)*	8 April 2027	–	9,000	–	–	9,000
Ms. WONG Man Lai Stevie	8 April 2024 *(Note b)*	8 April 2025	–	9,000	–	–	9,000
(Independent non-executive Director)	8 April 2024 *(Note c)*	8 April 2026	–	9,000	–	–	9,000
	8 April 2024 *(Note d)*	8 April 2027	–	9,000	–	–	9,000
Mr. Victor HUANG	8 April 2024 *(Note b)*	8 April 2025	–	9,000	–	–	9,000
(Independent non-executive Director)	8 April 2024 *(Note c)*	8 April 2026	–	9,000	–	–	9,000
	8 April 2024 *(Note d)*	8 April 2027	–	9,000	–	–	9,000
Employees	8 April 2024 *(Note b)*	8 April 2025	–	295,000	(35,000)	–	260,000
	8 April 2024 *(Note c)*	8 April 2026	–	295,000	(35,000)	–	260,000
			–	1,267,850	(97,000)	–	1,170,850

RESTRICTED SHARE UNITS SCHEMES (Continued)

Details of the Restricted Share Units granted (Continued)

Notes:

a. The closing price of the Shares immediately before the date the RSUs were granted on 8 April 2024 was HK$5.00 per Share.

b. The RSUs shall be vested on 8 April 2025 conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit or individual performance level.

c. The RSUs shall be vested on 8 April 2026 conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit or individual performance level.

d. The RSUs shall be vested on 8 April 2027 conditional upon fulfilment of the performance targets based on the growth rate of the Company's audited revenue or adjusted net profit or individual performance level.

e. The estimated fair value of the RSUs granted on 8 April 2024 is approximately HK$6.2 million. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company on the grant date.

f. For the accounting standard and policy adopted, please refer to note 3.2 to the consolidated financial statements on page 134 of this report.

g. The weighted average closing price immediately before the vesting date is not applicable because no RSUs shall be vested during the Reporting Period.

h. In respect of the 2023 RSU Scheme, the number of RSUs available for grant under the 2023 RSU Scheme was 20,750,500 RSUs as at 1 January 2024 and 19,579,650 RSUs as at 31 December 2024.

i. The number of Shares that may be issued in respect of RSUs granted under the 2023 RSU Scheme during the year ended 31 December 2024 divided by the weighted average number of the Shares in issue for the year ended 31 December 2024 is nil as the award Shares are satisfied by on-market purchase of existing Shares.

j. No RSUs were cancelled during the year ended 31 December 2024.

Save as disclosed above, no RSUs were granted or agreed to be granted under the 2023 RSU Scheme during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests or short positions of the Directors and chief executive of the Company and their associates in the Shares, underlying Shares and debentures of the Company or its associated corporations, recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") or required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Nature of interest	Number of Shares or underlying Shares[1]	Approximate percentage of shareholding
Mr. CUI Zhihui	Beneficial owner[2]	3,120,940 (L)	1.50%
Mr. John Thomas MCGINNIS	Beneficial owner[3]	113,009 (L)	0.05%
Mr. ZHANG Yinghao	Beneficial owner[4]	113,009 (L)	0.05%
Mr. Colin Patrick Alan JONES	Beneficial owner[5]	54,000 (L)	0.03%
Mr. Thomas YEOH Eng Leong	Beneficial owner[6]	113,009 (L)	0.05%
Ms. WONG Man Lai Stevie	Beneficial owner[7]	113,009 (L)	0.05%
Mr. Victor HUANG	Beneficial owner[8]	113,009 (L)	0.05%

Notes:

(1) As at 31 December 2024, the Company issued 207,505,000 Shares. The letter (L) denotes the entity's long position in the relevant Shares.

(2) Represents Mr. CUI Zhihui's entitlement to receive up to 2,897,700 Shares pursuant to the exercise of options and the vesting of the awards granted to him under the Share Option Scheme, 2021 RSU Scheme and 2023 RSU Scheme, subject to the vesting schedule and conditions of those options and awards.

(3) Represents Mr. John Thomas MCGINNIS's entitlement to receive up to 94,000 Shares pursuant to the vesting of the awards granted to him under the 2021 RSU Scheme and 2023 RSU Scheme, subject to the vesting schedule and conditions of those awards.

(4) Represents Mr. ZHANG Yinghao's entitlement to receive up to 94,000 Shares pursuant to the vesting of the awards granted to him under the 2021 RSU Scheme and 2023 RSU Scheme, subject to the vesting schedule and conditions of those awards.

(5) Represents Mr. Colin Patrick Alan JONES's entitlement to receive up to 54,000 Shares pursuant to the vesting of the awards granted to him under the 2021 RSU Scheme and 2023 RSU Scheme, subject to the vesting schedule and conditions of those awards.

(6) Represents Mr. Thomas YEOH Eng Leong's entitlement to receive up to 94,000 Shares pursuant to the vesting of the awards granted to him under the 2021 RSU Scheme and 2023 RSU Scheme, subject to the vesting schedule and conditions of those awards.

(7) Represents Ms. WONG Man Lai Stevie's entitlement to receive up to 94,000 Shares pursuant to the vesting of the awards granted to her under the 2021 RSU Scheme and 2023 RSU Scheme, subject to the vesting schedule and conditions of those awards.

(8) Represents Mr. Victor HUANG's entitlement to receive up to 94,000 Shares pursuant to the vesting of the awards granted to him under the 2021 RSU Scheme and 2023 RSU Scheme, subject to the vesting schedule and conditions of those awards.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, so far as is known to the Company, as recorded in the register required to be kept by the Company under section 336 of SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares:

Name of Shareholder	Nature of Interest	Number of Shares or underlying Shares (Note 1)	Approximate percentage of shareholding (Note 1)
Manpower Holdings, Inc.	Beneficial owner	41,539,168 (L)	20.02%
Manpower Nominees Inc.	Beneficial owner	34,960,220 (L)	16.85%
ManpowerGroup Inc. (Note 2)	Interest in controlled corporations	76,499,388 (L)	36.87%
CM Phoenix Tree Limited	Beneficial owner	64,015,263 (L)	30.85%
CM Phoenix Tree II Limited (Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
CPEChina Fund II, L.P. (Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
Citron PE Associates II, L.P. (Note 3) (formerly known as CITIC PE Associates II, L.P.)	Interest in controlled corporation	64,015,263 (L)	30.85%
Citron PE Funds II Limited (Note 3) (formerly known as CITIC PE Funds II Limited)	Interest in controlled corporation	64,015,263 (L)	30.85%
Citron PE Holdings Limited (Note 3) (formerly known as CITICPE Holdings Limited)	Interest in controlled corporation	64,015,263 (L)	30.85%
CLSA Global Investments Management Limited (Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
CITIC Securities International Company Limited (Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
CITIC Securities Company Limited (Note 3)	Interest in controlled corporation	64,015,263 (L)	30.85%
FIL Limited (Note 4)	Interest in controlled corporation	20,750,250 (L)	9.99%
Pandanus Associates Inc. (Note 4)	Interest in controlled corporation	20,750,250 (L)	9.99%
Pandanus Partners L.P. (Note 4)	Interest in controlled corporation	20,750,250 (L)	9.99%
Fidelity China Special Situations Plc	Beneficial owner	10,581,000 (L)	5.10%

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes:

(1) As at 31 December 2024, the Company issued 207,505,000 Shares. The letter (L) denotes the entity's long position in the relevant Shares.

(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 wholly owned by CM Phoenix Tree II Limited, which is owned as to 86.33% by CPEChina Fund II, L.P. and 13.67% by CPEChina Fund IIA, L.P. respectively. The general partner of CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P. is Citron PE Associates II, L.P. (formerly known as CITIC PE Associates II, L.P.). Citron PE Associates II, L.P. is an exempted limited partnership registered under the laws of the Cayman Islands whose general partner is Citron PE Funds II Limited (formerly known as CITIC PE Funds II Limited). Citron PE Funds II Limited is wholly owned by Citron PE Holdings Limited (formerly known as CITICPE Holdings Limited), which is held as to 35% by CLSA Global Investments Management Limited. CLSA Global Investments Management Limited is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities Company Limited (a company listed on the Stock Exchange (Stock Code: 6030) and the Shanghai Stock Exchange (Stock Code: 600030)). Therefore, each of CM Phoenix II Limited, CPEChina Fund II, L.P., Citron PE Associates II, L.P., Citron PE Funds II Limited, Citron PE Holdings Limited, CLSA Global Investments Management Limited, CITIC Securities International Company Limited and CITIC Securities Company Limited is deemed to be interested in the Shares held by CM Phoenix Tree Limited.

(4) As the Company is aware, FIL Limited was deemed to be interested in 20,750,250 Shares held by its controlled entities/corporations. Pandanus Partners L.P. owned 47.90% of the equity interest in FIL Limited. Pandanus Partners L.P. is wholly owned by Pandanus Associates Inc. Accordingly, Pandanus Partners L.P. and Pandanus Associates Inc. were also deemed to be interested in the aforesaid 20,750,250 Shares.

(5) Pursuant to Section 336 of the SFO, if certain conditions are met, the Shareholders are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Stock Exchange.

Save as disclosed above, as at 31 December 2024, the Company had not been notified of any persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares that were recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections headed "Continuing connected transactions", "Related party transactions" and "Management discussion and analysis" and note 35 to the consolidated financial statements contained in this report, no transactions, arrangements or contracts of significance in relation to which the Company, its holding company or subsidiaries was a party and in which a Director or his/her connected entities had a material interest, whether directly or indirectly, subsisted during the Reporting Period.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections headed "Continuing connected transactions", "Related party transactions" and "Management discussion and analysis" and note 35 to the consolidated financial statements contained in this report, no contracts of significance (i) in relation to the Group's business; or (ii) for provision of services to the Company (or any of its subsidiaries) by a Controlling Shareholder (or any of its subsidiaries) between the Company (or any of its subsidiaries) and a Controlling Shareholder (or any of its subsidiaries) subsisted during the Reporting Period.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, revenue attributable to the Group's largest customer amounted to approximately 32.8% of the Group's total revenue and the Group five largest customers in aggregate accounted for approximately 42.9% of the Group's revenue for the year.

During the Reporting Period, purchases attributable to the Group's largest supplier amounted to approximately 7.7% of the Group's total purchases and the Group five largest suppliers in aggregate accounted for approximately 26.1% of the Group's total purchase for the year.

None of the Directors, their close associates or any Shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued Shares (excluding treasury shares (as defined under the Listing Rules)), had an interest in the share capital of any of the five largest suppliers and customers.

CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Company conducted the following transactions which constitute non-exempt continuing connected transactions (as defined in the Listing Rules) of the Company, details of these transactions are set out below:

Trademark and proprietary product licensing

On 20 June 2019, MAN (as licensor), ManpowerGroup Greater China (HK) Limited ("Manpower HK") (as licensee) and the Company entered into an amended and restated brand license agreement (the "Brand License Agreement") to amend and restate the license agreement between MAN and the Company dated 16 July 2015 (the "Original License Agreement") and to novate all the rights and obligations of the 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 the Group's 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 the Group (including the Company) from time to time, including the 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 the 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 the Company of at least 0.1% of each of its issued shares.

On 18 January 2022, the Board resolved to approve the renewed annual caps for the transactions contemplated under the Brand License Agreement in respect of another three years ending December 31, 2024. The annual caps of transactions contemplated under the Brand License Agreement would be RMB22,181,000, RMB28,835,000 and RMB37,486,000 for the years ended 31 December 2022, 2023 and 2024, respectively. For the year ended 31 December 2024, the aggregate royalty fees in respect of such licensing arrangement amounted to RMB9.5 million.

CONTINUING CONNECTED TRANSACTIONS (Continued)

Flexible staffing services provided to the MAN Group

On 13 June 2019, the Company and MAN entered into a master services agreement (the "Master Services Agreement"), pursuant to which it was agreed that among others, the Group would continue to provide to the MAN Group flexible staffing services already existing as of the Listing Date in jurisdictions which the Group operates for a term commencing from the Listing Date until 31 December 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.

On 18 January 2022, the Board resolved to renew the Master Services Agreement and approve the renewed annual caps for the transactions contemplated thereunder for a further term of three years with effect from January 1, 2022 to December 31, 2024 by entering into an agreement dated December 21, 2021 between the Company and MAN to amend and supplement the Master Services Agreement. The annual caps of transactions contemplated under the Master Services Agreement would be RMB8,054,000, RMB8,054,000 and RMB8,054,000 for the years ended 31 December 2022, 2023 and 2024, respectively. For the year ended 31 December 2024, the aggregate fees for the project-based services provided by the Group to the MAN Group amounted to RMB3,647,356.

Flexible staffing services provided by the MAN Group

On 13 June 2019, the Company entered into the Master Services Agreement with MAN, pursuant to which the MAN Group provides to the Group flexible staffing services for a term from the Listing Date to 31 December 2021. During the ordinary course of the Group's business, the Group has received project-based flexible staffing services from the MAN Group, which have arisen when certain customers of the Group have flexible staffing service requirements in jurisdictions which the MAN Group operates and the MAN Group provides the relevant services to the Group to enable us to serve such customers.

On 18 January 2022, the Board resolved to renew the Master Services Agreement for a further term of three years with effect from 1 January 2022 to 31 December 2024. On 29 June 2023, the Board approved the annual caps for the transactions contemplated for the years ended 31 December 2023 and 2024. The annual caps of transactions contemplated under the Master Services Agreement would be RMB16,000,000 and RMB35,000,000 for the years ended 31 December 2023 and 2024, respectively. For the year ended 31 December 2024, the aggregate fees for the project-based services provided by the MAN Group to the Group amounted to RMB22,760,969.

Confirmation from independent non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed and confirmed that the above continuing connected transactions have been entered into in (i) the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS (Continued)

Confirmations from the Company's independent auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the auditor of the Company to conduct certain procedures in respect of the continuing connected transactions of the Group in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has confirmed to the Board in writing that for the year ended 31 December 2024, the continuing connected transactions, which were entered into:

a. have received the approval of the Board;

b. have been in accordance with the pricing policies of the Company for transactions involving the provision of goods or services;

c. have been in accordance with the relevant agreement governing such transactions; and

d. have not exceeded the relevant announced cap amounts for the financial year ended 31 December 2024.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2024 are set out in note 35 to the consolidated financial statements.

The related party transactions set out in note 35 to consolidated financial statements include related party transactions disclosed under accounting standards and related party transactions which also constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The related party transactions in respect of the remuneration of Directors and chief executives of the Company constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The related party transactions in respect of the remuneration of key management personnel (other than directors and chief executives) of the Company did not fall under the definition of connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. Unless otherwise disclosed in this report, the Directors believe, all other related party transactions set out in note 35 to the consolidated financial statements do not fall within the definition of "connected transactions" or "continuing connected transactions" under Chapter 14A of the Listing Rules (as the case may be). The Company confirmed that it was in compliance with the disclosure requirements in Chapter 14A of the Listing Rules for the year ended 31 December 2024.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association, or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities. If the Shareholders have any doubt in relation to any relief from taxation by holding the Shares, they are advised to consult their own professional advisers.

LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

The Company has not entered into any new loan agreements containing any covenant relating to specific performance of the Controlling Shareholders, which is required to be disclosed in accordance with Rule 13.18 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under Listing Rules.

CORPORATE GOVERNANCE

The Board is of opinion that the Company had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code contained in part 2 of Appendix C1 to the Listing Rules during the year under review. Principal corporate governance practices adopted by the Company are set out in the "Corporate Governance Report" section on pages 22 to 39 of this report.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed "Financial Summary" on page 204 of this report.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2024 are set out in note 36 to the consolidated financial statements.

PERMITTED INDEMNITY

The Articles of Association provide that every Director is entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

The Group has arranged appropriate insurance covering the potential legal actions against its Directors and Senior Management in connection with the discharge of their responsibilities for the year ended 31 December 2024.

The permitted indemnity provision was in force during the Reporting Period and remained in force as at the date of this report for the benefit of the Directors.

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

During the Reporting Period, the trustee of the 2021 RSU Scheme purchased on the market an aggregate of 470,000 Shares, at prices ranging from HK$5.90 to HK$5.97 per share for an aggregate consideration of approximately HK$2,796,790. Save as disclosed above, the Group did not purchase, sell or redeem any of the listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules) for cash) during the Reporting Period. As at 31 December 2024, the Company did not hold any treasury shares.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme and Restricted Share Units Schemes, at no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the above paragraphs headed "Share Option Scheme" and "Restricted Share Units Schemes" in this section, no equity-linked agreements were entered into during the Reporting Period and subsisted at the end of the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into during the year or subsisted at the end of the year.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2025 AGM will be held on Thursday, 26 June 2025. A notice convening the 2025 AGM will be published on the Company's website and the Stock Exchange's website and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course. For the purposes of determining the Shareholders' eligibility to attend, speak and vote at the 2025 AGM and the Shareholders' entitlement to the 2024 Proposed Final Dividend, the register of members of the Company (the "Register of Members") will be closed as appropriate as set out below:

For determining the entitlement to attend, speak and vote at the 2025 AGM

The Register of Members will be closed from Monday, 23 June 2025 to Thursday, 26 June 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of members who are entitled to attend, speak and vote at the 2025 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 20 June 2025.

For determining the entitlement to the 2024 Proposed Final Dividend

The Register of Members will be closed from Thursday, 3 July 2025 to Tuesday, 8 July 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the 2023 Proposed Final Dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 2 July 2024.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by Deloitte Touche Tohmatsu who will retire at the 2025 AGM. Deloitte Touche Tohmatsu, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as the auditor of the Company will be proposed at the 2025 AGM.

There has been no change of auditor of the Company since the Listing.

EVENTS AFTER THE REPORTING PERIOD

Important events which have occurred after 31 December 2024 are disclosed in note 38 to the consolidated financial statements.

On behalf of the Board
ManpowerGroup Greater China Limited
CUI Zhihui
Executive Director and Chief Executive Officer

Hong Kong, 26 March 2025

Environmental, Social and Governance Report

ABOUT THE REPORT

This is the Environmental, Social and Governance ("ESG") report of ManpowerGroup Greater China Limited (the "Company", together with its subsidiaries the "Group" or "ManpowerGroup"), highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 of the Listing Rules set out by The Stock Exchange of Hong Kong Limited. The Group has complied with all "comply or explain" provisions set out in the ESG Reporting Guide during the reporting period from 1 January 2024 to 31 December 2024 (the "Reporting Period").

Reporting Boundary

This report covers the Group's overall environmental and social performance of its human resources services, including flexible staffing, headhunting, recruitment process outsourcing, and other workforce solution operations in the People's Republic of China (the "PRC" or "Mainland China"), Hong Kong Special Administrative Region of the PRC ("Hong Kong") and Macau Special Administrative Region of the PRC ("Macau") and Taiwan[1] (collectively referred as "Greater China Region"), during the Reporting Period, unless otherwise specified.

The total office number included in the reporting scope is 28[2]. Compared to the previous reporting period, the total office area decreased from 16,303.8 m^2 to 16,234.8 m^2 this Reporting Period, due to the termination of rental agreement or the demolition of office space in certain offices[3]. The reporting scope has covered all offices with major operations during the Reporting Period.

Reporting Principles

The preparation of the ESG Report has applied the following principles:

Materiality – materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section "Stakeholder Engagement and Materiality" in the Report.

Quantitative – key performance indicators ("KPI(s)") have been established, and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

Balance – performance of the Group was presented in an unbiased and impartial manner. Reasons for omission have been disclosed if the omission is inevitable.

Consistency – consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

1 Offices covered in reporting scope include: Shanghai office, Suzhou office, Nanjing office, Changshu office, Beijing office, Tianjin office, Shenzhen office, Guangzhou office, Foshan office, Chengdu office, Dalian office, two Wuhan offices, two Xi'an offices, three Hangzhou offices, the Taiwan offices (namely Kaohsiung, Luzhu, Taipei, and Taichung offices), and the Hong Kong and Macau offices (four offices in Hong Kong, and two offices in Macau).

2 One of the Hangzhou offices and one of the Xi'an offices were new offices included in the reporting scope this Reporting Period. During the Reporting Period, one of the Wuhan offices ceased operations, Nanjing office moved operations to a coworking space, and one of the Hangzhou offices merged with another Hangzhou office; however all above-mentioned offices are still included in the reporting scope.

In 2023, two offices in Shanghai stopped operations; the above-mentioned offices and PinGeHuo offices (one office in Shanghai and two offices in Sichuan) were no longer included in the reporting scope.

3 Offices that reduced rental area include: Suzhou office, Nanjing office, Shanghai office, Guangzhou office, and Tianjin office. Offices that increased rental area include: Changshu office and Wuhan office.

THE GROUP'S SUSTAINABILITY COMMITMENT

Governance Structure

The board (the "Board") of directors (the "Directors") of the Company assumes overall responsibility for the Group's ESG strategy and reporting, as well as evaluating and addressing ESG-related risks. These matters are reviewed at least once a year during Board meetings, with senior management overseeing ESG issues on a day-to-day basis. When material ESG risks that could impact the Group's interests are identified, the Board is promptly informed, and measures to address these risks are proposed. Both directors and senior management have received professional training on the latest ESG development and recommended approaches enabling better understanding of the best ESG practices and actively contribute to development of Company's ESG strategy and reporting.

During regular Board meetings, senior management and the Board discuss the approach to these risks and evaluate their potential impact on the Group's financial performance. Targets, policies, and operating strategies are then established to mitigate any negative effects, with priority given to risks with higher short-term implications.

In addition to the risk management, the Board prioritises establishing targets that align with the Group's business development and operations, with a focus on supporting clients' growth and ESG objectives. This involves implementing robust data protection measures, carefully selecting suppliers, and prioritising employee well-being through training, safe working conditions, and compliance with employment policies and local labour laws.

While addressing carbon emissions and waste control, the Group remains dedicated to supporting clients and aligning with their ESG goals.

Board of Directors

- Formulates and reviews ESG and climate-related strategy and approach
- Oversees ESG and climate-related issues including the associated risks and opportunities
- Approves and reviews targets and key initiatives regularly

ESG Working Group — *Led by senior management and members from finance, compliance, and operation functions of the Company*

- Communicates with different committees regularly to ensure relevant committees are aware of the latest ESG and climate-related issues affecting the Company
- Coordinates ESG and climate-related tasks
- Formulates and implements relevant policies and measures
- Monitors and tracks progress against agreed targets and initiatives
- Provides feedback to the Board

Various Departments — *Comprises members from various departments and business units of the Group*

- Implements ESG and climate-related policies and measures
- Provides feedback regarding ESG and climate-related performance and policies

THE GROUP'S SUSTAINABILITY COMMITMENT (Continued)

Governance Structure (Continued)

To review and evaluate the progress and effectiveness of relevant ESG-related strategies, the Group communicates with stakeholders regularly to obtain their feedback. Some common methods include annual surveys on employee satisfaction, monthly meetings with employees, monthly interviews on client satisfaction, and regular communication with clients and potential talents. There are also working groups and departments for employee well-being and training, customer service, quality assurance, and community service.

The environmental impact of the Group is minimal due to its business nature. It is also reflected from the stakeholder assessment that environmental topics are less material than social topics. However, the Group is committed to setting targets for its environmental performance. Since the Group's offices are mostly rented and are expected to reinstate in their original conditions when the tenancy contracts end, the Group does not have much room to install energy-efficient fixtures. The Group has therefore set environmental targets to reduce its energy consumption area under its control. The Board will annually review the Group's ESG performance, and the targets set.

Commitments and Missions on ESG

For more than twenty years, the Group has made corporate social responsibility a central pillar of its operations. Adopting a comprehensive three-dimensional strategy for sustainable development that integrates social, economic, and environmental considerations, the Group advocates for eco-friendly lifestyles, emphasises employee growth, and actively participates in community investment and charitable activities. Through its unwavering commitment to advancing sustainable development and fostering awareness, the Group has established itself as a frontrunner in ESG performance within its industry.

Within the working sphere, the Group is committed to adhering to the following principles,

- Empowering employees and unleashing their full potential;
- Providing equal opportunities for all potential candidates irrespective of their gender, marital status, race, ethnicity, age, and religion;
- Making sure employees feel comfortable and safe and are able to work in an accident-free working environment;
- Equipping employees with know-how of the industry, to increase their competency and enhance professionalism; and
- Protecting personal data and making sure it is kept confidential.

THE GROUP'S SUSTAINABILITY COMMITMENT (Continued)

Commitments and Missions on ESG (Continued)

Outside of the business, the Group also strives to carry out its corporate social responsibility whenever and wherever possible. Some of the key areas that the Group has been working on include,

- Facilitating employment in the local community by providing consultation to the unemployed; and

- Giving opinions to governing departments on policy and research trends and taking part in different associations that give vocational guidance.

Challenges and Development

In 2024, amid global economic uncertainty marked by geopolitical tensions, inflation, and challenging market dynamics, the Group demonstrated resilience and achieved consistent growth while maintaining a strong commitment to sustainability. Expanding its service offerings in Mainland China, the Group focused on flexible staffing for state-owned enterprises clients and in the financial services sector, while strengthening its IT Outsourcing business segment and broadening its product portfolio to deliver comprehensive, sustainable workforce solutions. Digitalization efforts enhanced technological platforms and infrastructure, improving operational efficiency and reducing environmental impact. Prioritising employee development through training programs, the Group fostered a culture of continuous learning and inclusivity, aiming to build a stronger, sustainable brand presence in Greater China. Looking ahead, the Group will focus on flexible staffing in Mainland China, targeting fast-growing industries such as new energy, financial services, IT services, healthcare, and consumer & retail, and utilising its global brand, market-leading position, and sustainability commitment to capitalize on emerging industry sectors.

Beyond business, the Group contributed to corporate responsibility by participating in drafting the national standard of specifications for human resource outsourcing service (GB/T 33530-2017) during the Reporting Period. This standard, covering requirements, job specifications, work processes, and outsourcing reviews, reflects the Group's commitment to ethical practices, transparency, and sustainability. Such initiatives reinforce the Group's leadership in workforce solutions and dedication to fostering responsible practices, contributing to a more equitable and sustainable labour market.

The Group's management remains agile and vigilant, committed to leveraging emerging opportunities while mitigating risks to ensure long-term value creation. The Group has optimised its operations by leveraging economies of scale, while integration of ESG principles has reinforced its dedication to sustainable growth and long-term value creation, solidifying its reputation as a leader in responsible and sustainable business practices. By upholding its core values and corporate social responsibility, the Group aims to contribute to a greener, more inclusive economy, delivering value to clients, employees, and shareholders.

THE GROUP'S SUSTAINABILITY COMMITMENT (Continued)

Memberships

In addition to its existing affiliations, the Group has become a member of the **American Chamber of Commerce in Shanghai** during the Reporting Period. This new membership reflects the Group's commitment to promoting employment in international businesses in China.

During the Reporting Period, the Group has also successfully renewed its **ESBN (ESCAP Sustainable Business Network) membership**, meaning that the Group is encouraged to actively contribute to the 2030 Sustainable Agenda and the associated Sustainable Development Goals.

Furthermore, the Group maintains close ties and shares expertise with various other associations, including:

- Beijing Human Resources Consulting Association;
- Changshu Human Resources Service Industry Association;
- Chengdu Human Resource Service Industry Association;
- China Human Resources Association;
- China Software Industry Association;
- Guangdong Human Resource Management Association;
- Shanghai Human Resources Consulting Association;
- Shanghai Association of Foreign Investment;
- Shanghai Pudong Association of Foreign Investment;
- Shenzhen Human Resources Association;
- Suzhou Human Resources Service Industry Association; and
- Shanghai Pudong Modern Service Industry Promotion Association.

THE GROUP'S SUSTAINABILITY COMMITMENT (Continued)

Certification

The Group is also dedicated to delivering services that adhere to globally recognised standards, and has been accredited with the following certifications:

- ISO 9001 – Quality Management System;
- ISO 27001 – Information Security Management System;
- ISO 27701 – Privacy Information Management (Extension of ISO 27001);
- ISO 20000-1 Information Technology Service management; and
- Maturity Level 5 CMMI V2.0 for Development.

Award-Winning Performance

The Group has been recognised with different awards and titles for its persisting effort in promoting employment and fulfilling its corporate social responsibility. Some of the awards and recognitions received for the Group's excellent performance during the Reporting Period are:

Service Quality:

- "Boss Zhipin 2024 Rhino Guardian Selection Event – 2024 Annual Gold Medal Strength Recruitment Enterprise" by Boss Zhipin
- "Recruitment Agency of the Year – Best HR Awards 2024" by CTgoodjobs
- "Recruiting & Staffing Solution Provider Value Awards in 2024 HR's Pick – Flexible Staffing Service Providers for Service Industry" by HREC
- "Recruiting & Staffing Solution Provider Value Awards in 2024 HR's Pick – Recruitment Process Outsourcing Service Providers" by HREC
- "2024 Best HR Solution Award" by HRFlag
- "Golden Flag Award – Best Management Training Provider 2024" by HRFlag
- "2024 Outstanding Contribution Enterprise" by Minhang District South Hongqiao Management Committee
- "2024 Excellence Contribution Award" by Semight Instruments Co., Ltd.
- "Shanghai Top Quality Human Resources Service Agency" by Shanghai Municipal Bureau of Human Resources and Social Security
- "Global Talent Attraction Partner" by Shanghai Pudong District Municipal Bureau of Human Resources and Social Security
- "2024 Best Product" by The National Brand Yushan Award

THE GROUP'S SUSTAINABILITY COMMITMENT (Continued)

Award-Winning Performance (Continued)

Social Responsibility:

- "Employment Promotion Practice Case Award" by Asia-Pacific Human Resources Technology and Service Expo Organizing Committee
- "2024 Caring Company Award" by Hong Kong Council of Social Service
- "Letter of Appreciation for Title Sponsorship in HKRP Life Driver Election" by Hong Kong Rehabilitation Power
- "Active Participating Enterprise Award in Greater Bay Area Youth Employment Scheme and New Opportunities Job Fair" by Labour Department of Hong Kong
- "Corporate Social Responsibility Award for Headquarters Businesses" by Lujiazui Financial City
- "2024 Best ESG Report of MNC's Regional Headquarters in Shanghai" by Shanghai Foreign Investment Association
- "Outstanding Cooperation Enterprise for Employment Promotion" by Shanghai Pudong District Municipal Bureau of Human Resources and Social Security

Business Growth:

- "Top 10 Service Industry Enterprises" by Changshu High-Tech Industrial Development Zone Management Committee
- "Top 100 Leading Enterprises in Digital Service and Leading Service Providers 2024" by China Council for International Investment Promotion
- "AAA Enterprise Credit Evaluation" by China Software Industry Association
- "Economy Person Award – 2024 Person of the Year" by Greater Bay Area Times
- "2024 Top 100 Human Resources Service Organisation" by TopHR

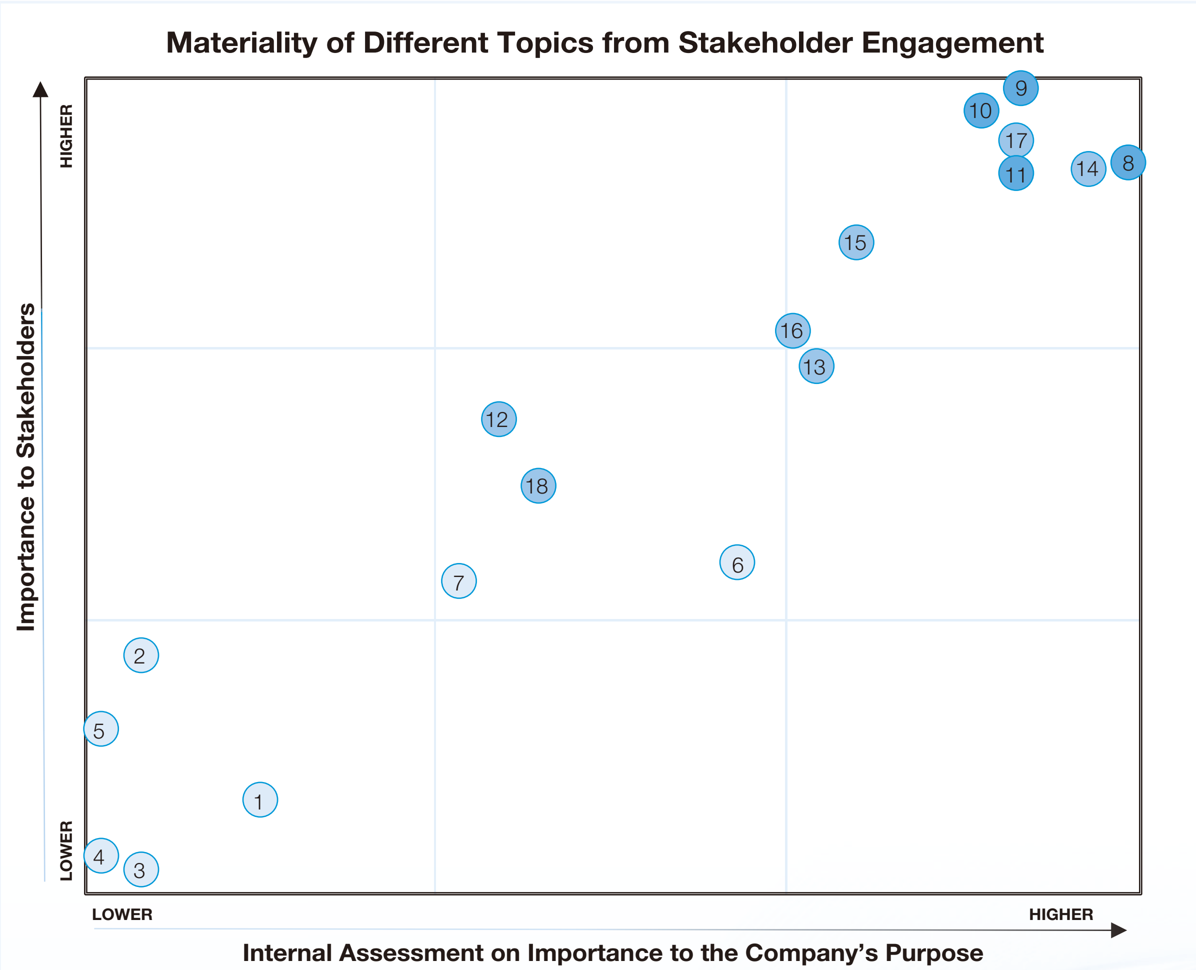
STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group values input from its stakeholders as they are important parts of the Group. Both internal and external stakeholders are regularly communicated with through various channels. The engaged stakeholders and the respective communication channels are listed below.

Stakeholder Groups	Communication Channels
Employees	– Meetings and conferences – Annual employee satisfaction surveys – Mentorship programme
Shareholders	– Annual Reports – Annual general meetings – Investor Relations Department – Social media – Hotlines
Potential Talents	– Meetings – Interviews – Seminars
Clients	– Meetings – Seminars
Service providers	– Meetings – Seminars
Regulators	– Meetings and conferences – Consultation discussions
Media	– Annual Reports – Investor Relations Department – Social media – Press release – Industrial conferences

With regards to matters relating to ESG performances specifically, the Group has also invited stakeholders and representatives of the business during the Reporting Period to complete a survey in order to understand their concerns and expectations for the Group's future development. The results of the survey will allow the business to understand if there is any gap between stakeholders' expectations and the business's efforts in identifying and addressing key issues. While stakeholders include shareholders, staff, potential talents, associates, clients, and suppliers, parties that represent the business are the Board and senior management. The following matrix shows the results from the stakeholder engagement.

STAKEHOLDER ENGAGEMENT AND MATERIALITY (Continued)



Environmental		Labour Practices		Operational Practices	
1	Energy	8	Employment Policies	12	Supply Chain Management
2	Water	9	Occupational Health and Safety	13	Intellectual Property
3	Air Emission	10	Development and Training	14	Data Protection
4	Waste and Effluent	11	Labour Standards	15	Customer Service
5	Other Raw Materials Consumption			16	Product/Service Quality
6	Environmental Protection Measures			17	Anti-corruption
7	Climate Change			18	Community Investment

STAKEHOLDER ENGAGEMENT AND MATERIALITY (Continued)

Responses of the survey show that all topics of the labour and operational aspects are regarded as more important than those of the environmental aspects, presumably due to the Group's non-environmental polluting business nature. Five of the most material topics are:

1. Employment Policies;
2. Occupational Health and Safety;
3. Data Protection;
4. Development and Training; and
5. Anti-corruption.

Key Stakeholders	Most Concerned ESG Topics
Directors	Employment Policies, Data Protection, Occupational Health and Safety, Development and Training, Labour Standards, and Anti-corruption
Senior Management	Environmental Protection Measures, Employment Policies, Data Protection, Anti-corruption, Climate Change, Occupational Health and Safety, Development and Training, and Labour Standards
Shareholders	Employment Policies, Occupational Health and Safety, Labour Standards, and Data Protection
Internal Staff	Employment Policies, Occupational Health and Safety, and Development and Training
Associates	Occupational Health and Safety, Development and Training, and Anti-corruption
Potential Talents	Occupational Health and Safety, Development and Training, and Anti-corruption
Clients	Employment Policies, Occupational Health and Safety, Labour Standards, and Data Protection

STAKEHOLDER ENGAGEMENT AND MATERIALITY (Continued)

During the Reporting Period, the Group maintained a consistent focus on the four of the material topics from the previous reporting period, where "Anti-corruption" has been added as a new topic. As a human resource services provider, the Group continuously evaluates and enhances its employment and operational policies. Notably, the Group has made further strides in improving data security, anti-corruption, employee training, and occupational health and safety measures.

Further details regarding the management of these material topics can be found in the relevant section below. Looking ahead, the Group is committed to managing these key material aspects by implementing additional policies and guidelines to further enhance its ESG performance.

Stakeholders' Feedback

The Group values the input and feedback of its stakeholders regarding its approach and performance in relation to ESG. Stakeholders are encouraged to share their concerns by contacting the Group at +86 400 820 0711. The Group is committed to actively listening to stakeholder perspectives and incorporating them into its ongoing efforts to improve its ESG practices.

A. ENVIRONMENTAL

During the Reporting Period, the Group has abided by all environmental laws and regulations when applicable as part of its commitment to minimise its environmental impact. Due to its business nature, the Group's operations have a relatively small environmental footprint. Nevertheless, the Group recognises the importance of addressing environmental concerns and has set environmental targets to further reduce its environmental impact. While stakeholder engagement continues to primarily focus on social aspects, the Group actively seeks opportunities to promote sustainable practices as to further enhance its environmental performance.

While the Group's rented offices pose limitations for implementing energy-efficient fixtures, efforts have been directed towards reducing energy consumption within its controllable areas. For example, the Group strives to retrofit leased office spaces as much as possible to avoid renovations, as well as prioritise installing second-hand furniture and energy efficient office equipment. Notably, two targets which have been set previously were followed strictly during the Reporting Period:

1. Adopting 100% LED lighting at all future front desks in the Group's new offices; and

2. Installing inverter air conditioners in future offices if the lease allows installation of air conditioners.

Additionally, two more targets have been set during the Reporting Period, which the Group is currently on track to achieve:

1. Establishing a designated area for hazardous waste and achieving 100% recycling rate of toner cartridges by 2027; and

2. Establishing green office management policies, including:

    a. Promoting paper conservation through implementing paperless office measures.

    b. Adopting non-hazardous waste control through enhancing recycling policy.

The Group has cultivated a sense of environmental responsibility among its staff, encouraging them to actively contribute to creating a green work environment by embracing the principles of reducing, reusing, and recycling. The Board consistently monitors and reviews the Group's environmental performance, with progress against targets assessed on an annual basis.

During the Reporting Period, due to reductions in the Group's overall employee headcount when compared to the previous reporting period, the Group's environmental figures in terms of employee intensity have recorded increases.

A. ENVIRONMENTAL (Continued)

A1. Emissions

During the Reporting Period, the Group's operations, being office-based, did not generate significant air emissions such as NO_x, SO_x, or PM. Indirect CO_2 emissions from power usage were present. The Group has implemented several policies to minimise emissions and waste.

1.1 Air Emissions

During the Reporting Period, the Group did not contribute any significant air emission due to its business nature.

1.2 Greenhouse Gas Emissions and Reduction Methods

During the Reporting Period, the Group generated 799.20 tCO_2e of greenhouse gas emissions ("GHG"), with an intensity of 0.05 tCO_2e/m^2 and 0.71 tCO_2e/employee. While overall GHG emissions have decreased by 7.69% and GHG emissions intensity in terms of area have decreased by 3.99% when compared to the previous reporting period, GHG emissions intensity in terms of employees have increased by 6.78%.

The Group's GHG emissions primarily originated from indirect sources, namely purchased electricity, paper waste disposal, and business air travel.

The Group does not own any vehicles or utilise machinery that would generate emissions through fuel combustion. The responsibility for managing the air conditioning systems in the Group's offices rests with the respective office building management companies. Consequently, the Group did not contribute to any direct emissions as it did not engage in fuel combustion for energy purposes.

The total GHG emissions for both the Reporting Period and the preceding reporting periods are presented below.

Scope of GHG emissions	Emission sources	GHG Emission in 2024[2] (in tCO_2e)	GHG Emission in 2023[2] (in tCO_2e)	GHG Emission in 2022[2] (in tCO_2e)
Scope 1 Direct emission[1]	Not applicable	–	–	–
Scope 2 Energy indirect emission	Purchased electricity[3]	681.89	755.50	777.42
Scope 3 Other indirect emission	Paper waste disposal	24.69	32.09	31.87
	Business air travel[4]	92.62	78.23	31.40
Overall Total		799.20	865.82	840.69
Emission Intensity (in tCO_2e/m^2)		0.05	0.05	0.05
Emission Intensity (in tCO_2e/employee)		0.71	0.67	0.60

A. ENVIRONMENTAL (Continued)

A1. Emissions (Continued)

1.2 Greenhouse Gas Emissions and Reduction Methods (Continued)

Note 1: The Group did not involve in scope 1 direct emission since it did not combust any fuel.

Note 2: Emission factors were referred to Appendix C2 of the Listing Rules and their referred documentation as set out by The Stock Exchange of Hong Kong Limited. Scope 3 emissions were only calculated based on the available emission factors from the referred documentation.

Note 3: For operations in Mainland China during the Reporting Period, emission factor of 0.5366 tCO_2e/MWh was made with reference to the National Emission Factors for Mainland China, outlined by the Ministry of Ecology and Environment of the PRC in 2024, for operations in Mainland China. For operations in Hong Kong and Macau during the Reporting Period, emission factors of 0.66 tCO_2e/MWh, 0.39 tCO_2e/MWh, and 0.608 tCO_2e/MWh referred to HKE, CLP, and CEM's 2023 Sustainability Report with accordance to the offices' location respectively. For operations in Taiwan during the Reporting Period, emission factor of 0.494 tCO_2e/MWh took reference from the Year 112 Electricity Emission Factor, published by the Bureau of Energy, Ministry of Economic Affairs in Taiwan.

Note 4: CO_2 emissions from the Group's business air travels were reported with accordance to the International Civil Aviation Organization ("ICAO") Carbon Emission Calculator.

1.3 Hazardous Waste

During the Reporting Period, the Group generated 15.09 tonnes of hazardous waste, while the hazardous waste generation intensity, measured at 1.34 kg per employee.

The hazardous waste primarily consisted of items such as old computers, fluorescent tubes, toner cartridges, used batteries, and other electronic waste. These materials were segregated from general waste and properly handed over to recognised recyclers or property management companies for appropriate handling, treatment, recycling, or disposal. A summary of hazardous waste for the Reporting Period has been presented below.

Type of Hazardous Waste	2024 Amount (in kg)
Old Computers	1,406.30
Lighting Waste (e.g. fluorescent tubes)	58.74
Used Batteries	21.09
Used Toner Cartridges	18.90
Other Electronic Waste	4.00
Total	**1,509.03**

A. ENVIRONMENTAL (Continued)

A1. Emissions (Continued)

1.4 Non-hazardous Waste

During the Reporting Period, the Group generated a total of 29.15 tonnes of non-hazardous waste, resulting in an intensity of 25.98 kg per employee. This represents an 8.9% decrease in total non-hazardous waste generation and a 5.4% increase in non-hazardous waste generation intensity respectively when compared to the previous reporting period.

Non-hazardous waste primarily consisted of daily office waste, including paper waste, food scraps and containers, and other daily waste. Recyclable waste was collected and processed by qualified waste treatment companies, while non-recyclable waste was managed by property management or cleaning companies for disposal or landfilling.

During the Reporting Period, the Group disposed 5.14 tonnes of paper waste at landfills, which has decreased by 23.2% compared to the previous reporting period.

1.5 Measures to Mitigate Emissions

The Group actively discourages the purchase of official company vehicles and promotes green commuting among employees, with a special emphasis on advocating for the use of public transportation. To support this initiative, all offices are strategically located in areas with convenient and well-connected transportation networks, allowing employees to easily reduce their reliance on private vehicles.

Furthermore, the Group has adopted online interviews for both potential candidates and existing employees. This shift in approach has significantly reduced indirect emissions that would have resulted from interviewees traveling to the Group's offices for candidate screening. As a result, the overall emissions associated with the hiring process have been successfully minimised.

These measures highlight the Group's strong commitment to reducing its environmental impact and fostering sustainable practices throughout its operations. As such, the Group has set the 10-year target of achieving a 5% reduction in Scope 2 GHG emissions intensity by 2034, using 2024 as the baseline year. As disclosure requirements for Scope 3 GHG emissions will be updated next year, the Group shall wait for detailed emissions figures from next year before setting its 10-year reduction target for Scope 3 GHG emissions.

Please refer to Section A2 for more information on how the Group reduces emissions contributed by electricity consumption, where most of its emissions is derived from.

A. ENVIRONMENTAL (Continued)

A1. Emissions (Continued)

1.6 Waste Reduction Initiatives

Efforts are made to minimise waste generation and reduce waste disposal rates through continuous encouragement and education. The Group advocates for employees to conserve paper, displays signage, and promotes a culture of resource conservation among staff. Printer devices are set to double-sided printing as default, encouraging employees to prioritise this printing method.

Although the Group produces a relatively small amount of hazardous waste, it recognises the importance of minimising such waste as a long-term goal. To achieve this, the Group implements a waste reduction strategy aimed at extending the lifespan of electronic or electric devices and reducing their rate of deterioration. This includes measures such as utilising alternatives, such as switching off idle equipment, utilising natural lighting instead of fluorescent tubes, and implementing paperless administrative systems to reduce printer and cartridge usage.

Additionally, the Group donates functional computers and other equipment, after professional processing, to schools in impoverished areas for continued use. These initiatives align with the Group's commitment to waste reduction and the principles of "reduce, reuse, recycle, recover." For example, the Group uses 100% recycled paper in its offices. The Group has adopted the practice of signing employee contracts online, which has reduced the amount of paper usage. The Group has started replacing hard copies of receipts with digital receipts since this Reporting Period, reducing the use of paper.

Reduce
- Disposable items (by promoting "BYOC" – bring your own cups)
- Paper use (by shifting to electronic administration and defaulting printing to be double-sided)
- Bottled water dispensers (by installing filters at water taps)
- Stationery waste (by sharing among staff)

Reuse
- Paper boxes and other packaging materials
- One-sided paper
- Employee card holders

Recycle
- Paper (by placing recycling bins next to printers)
- Other non-reusable waste, such as carboard boxes, furniture, cans, plastics (by sorting properly and handing them to qualified collectors)

Recover
- Malfunctioning or broken office equipment and furniture

A. ENVIRONMENTAL (Continued)

A2. Use of Resources and Efficiency Initiatives

The majority of resources consumed during the Reporting Period was purchased electricity, followed by water. To ensure that such resources are used to their fullest capacity, the Group has a list of policies outlined with the purpose of maximising the efficiency of such resources.

2.1 Energy Consumption and Efficiency

During the Reporting Period, the Group's energy consumption was solely attributable to electricity usage for office operations, amounting to 1,291,33.37 kWh. The average energy intensity has 1,150.92 kWh/employee, or 79.54 kWh/m^2. Compared to that of the previous reporting period, the overall energy intensity per employee increased by 8.89% despite the 5.88% decrease in total energy consumption, whereas the energy intensity per area decreased by 4.60%.

To mitigate unnecessary energy waste resulting from workplace development and usage, the Group actively develops and optimises its existing workplaces. When setting up new offices or reorganising existing ones, the Group allocates resources efficiently to minimise energy and water consumption. Additionally, the Group encourages the use of environmentally friendly public transportation by refraining from purchasing group-owned vehicles.

The Group maintains a close monitoring of its energy usage to effectively control energy consumption. To save energy, electronic equipment is automatically turned off at 9 p.m. every day, ensuring that devices are not left on inadvertently. In offices where lunch breaks occur, employees are encouraged to turn off lights during those periods. Signages reminding employees to switch off electronic equipment, lights, and air conditioning when leaving the workplace are posted throughout the office premises.

The Group also emphasises the use of natural lighting whenever possible, supplemented by highly efficient energy-saving and LED bulbs. Air conditioning systems are adjusted to maintain an average temperature of 26 degrees Celsius, contributing to energy conservation efforts.

Taking these measures into account, the Group has set the 10-year target of achieving a 5% reduction in energy consumption intensity by 2034, using 2024 as the baseline year.

A. ENVIRONMENTAL (Continued)

A2. Use of Resources and Efficiency Initiatives (Continued)

2.2 Water Consumption and Efficiency

All offices leased by the Group receive water supply from their respective office buildings, and the water charges are included in the management fees. As a result, the Group does not possess specific details regarding the exact amount of water used.

The management companies of the office buildings oversee the water usage in the office water closets, leaving the Group with limited control over the implementation of water-saving measures implemented. However, many of the buildings housing where the Group's offices locate have installed flow and velocity controllers in washrooms to reduce water consumption and minimise waste.

In addition to building-level measures, the Group actively promotes water conservation among its employees. Initiatives such as posting labels throughout the offices are implemented to raise awareness and cultivate a culture of resource conservation. Employees are encouraged to actively participate in water conservation efforts.

There were no issues encountered in sourcing water that met the required standards and purposes.

2.3 Packaging Materials

The Group's operation does not involve any packaging materials as it only provides human resources services.

A3. The Environment and Natural Resources

3.1 Significant Impacts of Activities on the Environment

Due to the Group's business nature, no activities contribute to significant impacts on the environment. The only areas that bring about impacts on the environment are the Group's GHG emission and office waste produced from daily operations. As mentioned above, the Group takes responsibility in recycling and reusing items of different varieties and cooperate with reliable recyclers to make sure that waste is well managed and properly handled to minimise impacts on the environment. It also encourages staff to take an active responsibility towards the environment, by adhering to the principles of "reduce", "reuse", "recycle" and "recovery".

A. ENVIRONMENTAL (Continued)

A4. Climate Change

As an office-based company, the Group has experienced relatively lesser impact from climate change compared to manufacturing companies. Although the Group has not formulated specific policies regarding climate change, it has identified and assessed relevant climate-related risks and their potential financial impacts. The following are the climate risks identified, their time horizon, trends, and potential financial impacts on the Group:

	Climate Risks	Time horizon	Trend	Potential financial impact
Physical Risks	Acute	Short term	Increase	Extreme weather events with increased severity during cyclones, hurricanes, storm surges and floods can cause supply chain interruption by bringing damage to local infrastructure, may affect the business continuity and pose challenges to the protection of employees' health and safety.
	Chronic	Long term		Longer-term shifts in climate patterns can increase capital costs, operating costs, costs of human resources and increased insurance premium. Potential rise in energy consumption, resulting in higher utility bills and operating expenses.
Transition Risks	Policy and Legal	Short to medium term	Increase	Implementation of tightened environmental laws, stringent requirements on climate disclosures and carbon pricing system increases operating costs.
	Reputation	Short to medium term	Increase	Stakeholders' concerns on climate-related issues of the Group might dampen the investment sentiment of investors, impacting the stock price and market capitalisation of the Group, and hence increasing the liquidity risk.

A. ENVIRONMENTAL (Continued)

A4. Climate Change (Continued)

Despite the Group's proactive approach to expanding its business and exploring climate-change opportunities, there are inherent risks associated with climate change, technology, and market factors. While the Group does not perceive technology and market risks as significant threats to its business development, it recognises the importance of staying vigilant and adaptable to changes in the technological and market landscape.

As climate policies tighten, the Group may need to allocate resources or purchase carbon credits to offset its emissions and align with national decarbonisation goals.

The market's shift towards sustainable development has increased the demand for talent with sustainability backgrounds. This provides opportunities for the Group to cater to this demand and offer sustainable-focused talent to clients.

By identifying climate-change opportunities and expanding into strategic industries like "new energy vehicles" and "smart manufacturing", the Group demonstrates its commitment to capitalising on emerging trends and national policies. However, it is essential for the Group to manage associated risks, align with the evolving climate change landscape, and navigate challenges in technology and market dynamics.

4.1 Risk Management

An ESG risk assessment was conducted based on assessing the possibility and impact of the identified relevant risks and rating them into three levels: high, medium and low. The overall risk level was then determined depending on the possibility and impact levels of the risks.

Risk levels	Definition of the overall risk levels
High	Risks at this level may have serious consequences. It is highly likely that there will be some impact to the Group and hindrance for the Group to achieve strategic goals.
Medium	Risks at this level may have serious consequences, but they are less likely to occur. Conversely, the consequences could be minor in nature, but the probability of occurrence is higher.
Low	Risks at this level have limited harm and consequences for the Group to achieve its strategic goals, and the probability of occurrence is low.

A. ENVIRONMENTAL (Continued)

A4. Climate Change (Continued)

4.1 Risk Management (Continued)

Although climate change has not posed significant impact on the Group's business operation, the Group has assessed the risk level of the relevant physical and transition risks based on the possibility and impact of the risks.

With support from the senior management, members of ESG Working Group discussed the climate-related strategy by evaluating the business nature of the Company, the general process during day-to-day operation, and the actual and potential impacts of climate-related risks and opportunities that affect business continuity and employees' health and safety. Through this discussion, the ESG Working Group identified physical and transition risks associated with climate change and implemented mitigation measures.

The Group's operation is more prone to physical risks related to extreme weather events such as floods and typhoons. Extreme weather not only affects transportation systems, but also causes threats to employee safety and the Group's business operation. The risk level is medium in the short term. To minimise the potential adverse impacts associated with extreme weather, the Group focuses on enhancing internal technological infrastructure systems so that employees can work from home and provide full service amid extreme weather events.

To mitigate transition risks and enhance resilience, the Group also conducts safety awareness promotion activities, and has purchased property and business interruption insurance to safeguard its properties against weather-related risks. In line with its commitment to low-carbon operations, the Group prioritises energy-efficient practices. When procuring office electronic products like computers and laptops, the Group considers the energy consumption levels of the equipment and gives preference to those with lower energy consumption.

By taking these measures and capitalising on climate-change opportunities, the Group aims to mitigate risks, enhance operational efficiency, and align its business with the evolving landscape of climate change and emerging industries.

4.2 Metrics and Targets

To measure the level and impact of the Group's climate-related risks, the Group monitors metrics and indicators to ensure an effective and quantitative assessment. The Group monitors and reviews its Scope 2 and Scope 3 GHG emissions (in $tCO_2eq.$), total GHG emissions (in $tCO_2eq.$) and GHG emission intensity (in $tCO_2eq./m^2$ and $tCO_2eq./employee$) regularly. The GHG emission data and information about target setting are shown in the section "A1. Emissions" of this Report.

B. SOCIAL

Given the Group's extensive labour force and involvement in various businesses, its social performance poses great significance to stakeholders. The satisfaction of employees and the handling of confidential information are key considerations for the Group in its human resource services. As a result, social topics have been rated as highly material, with all aspects deemed vital based on stakeholder engagement survey ratings.

To ensure responsible social performance, the Group takes extra precautions and places a strong emphasis on compliance with laws and the development of relevant policies. Employee rights and opportunities are consistently promoted, and the Group prioritises data protection to maintain its commitment to confidentiality. Moreover, the Group actively engages in activities that benefit society, such as assisting the unemployed and undertaking charitable acts.

By prioritising social responsibility, the Group aims to be an industry leader in social performance. This commitment extends to environmental initiatives, education, labour welfare, equality, and health, as the Group strives to make a positive impact on these important areas.

Employment and Labour Practices

As the Group acts as a human resource services solution provider, it has its own employees (hereafter "formal employees"), as well as employees who are outsourced (hereafter "associates"). While formal employees refer to those who work for the Group's operations, including employees from the Finance, IT, HR, Legal, Business Unit, etc.; associates are those assigned to work on client premises for flexible staffing purposes, who are typically under client instruction and supervision during the term of deployment.

B1. Employment

As the Group provides workforce solutions services, employment policies have been determined to be the most material topic by stakeholders and the Group. The Group strictly complies with employment laws and regulations of the respective regions they operate in as shown in the following table.

Mainland China	Hong Kong	Macau	Taiwan
• Labour Law • Labour Contract Law • Regulations on Paid Annual Leave for Employees • Law on the Protection of Women's Rights and Interests • Special Rules on the Labour Protection of Female Employees	• Employment Ordinance (Cap. 57) • Inland Revenue Ordinance (Cap. 112) • Sex Discrimination Ordinance (Cap. 480) • Mandatory Provident Fund Schemes Ordinance (Cap. 485) • Personal Data (Privacy) Ordinance (Cap. 486) • Disability Discrimination Ordinance (Cap. 487) • Family Status Discrimination Ordinance (Cap. 527) • Race Discrimination Ordinance (Cap. 602) • Minimum Wage Ordinance (Cap. 608)	• Labour Relations Law (Law no. 7/2008) • Act on the Employment Policy and Labour Rights (Law no. 4/98/M) • Law on Minimum Wage for Employee (Law no. 5/2020)	• Labour Standards Act • Employment Service Act

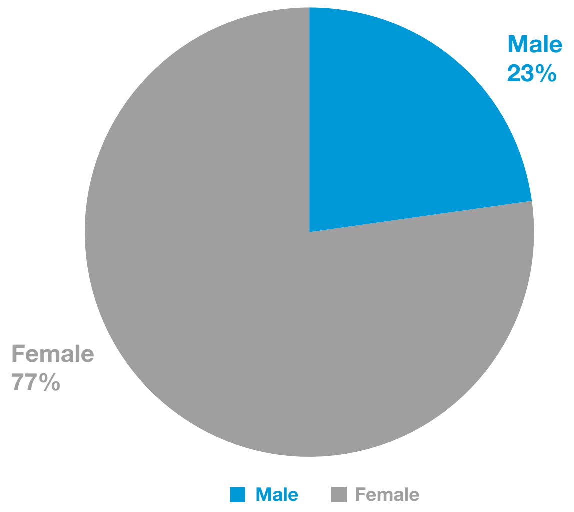
B. SOCIAL (Continued)

B1. Employment (Continued)

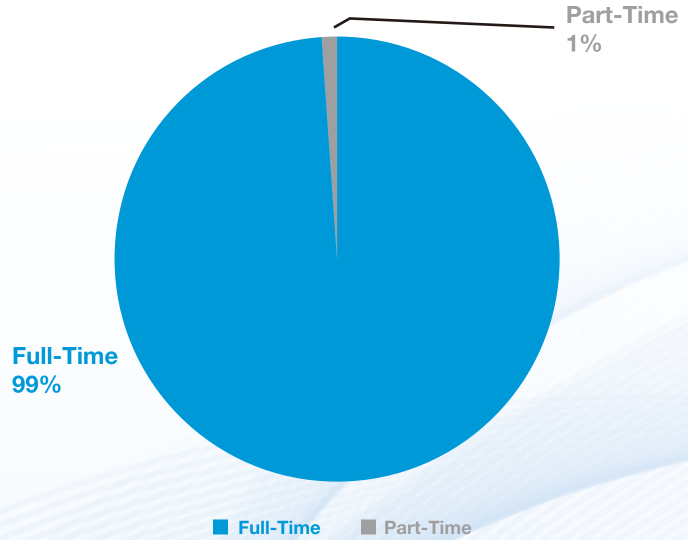
1.1 Employment Figures

As of 31 December 2024, the Group had a total of 1,122 formal employees (including 10 part-time employees and exclusive of associates). Below figures show the distribution of different categories:

WORKFORCE BY GENDER



WORKFORCE BY EMPLOYEE TYPE

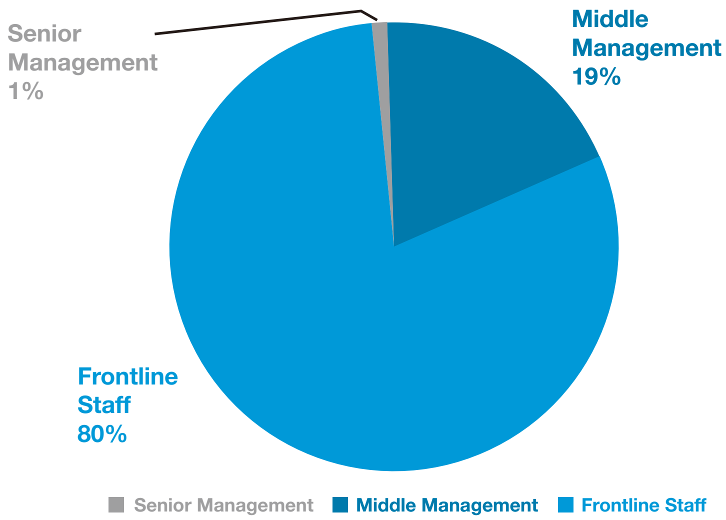


B. SOCIAL (Continued)

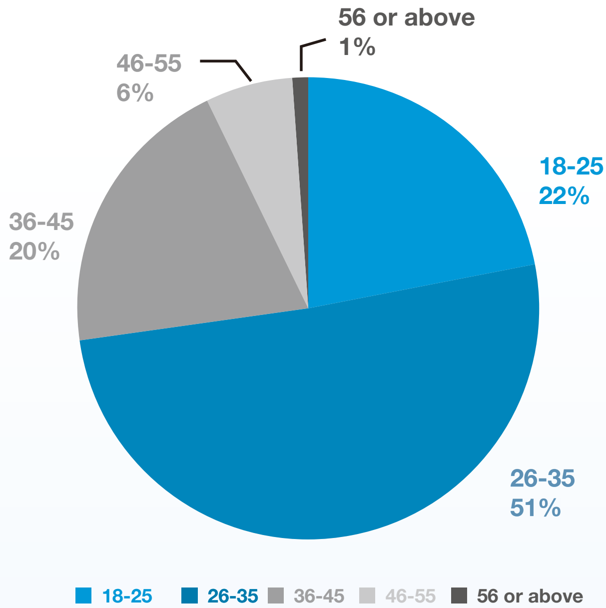
B1. Employment (Continued)

1.1 Employment Figures (Continued)

WORKFORCE BY EMPLOYMENT CATEGORY



WORKFORCE BY AGE GROUP

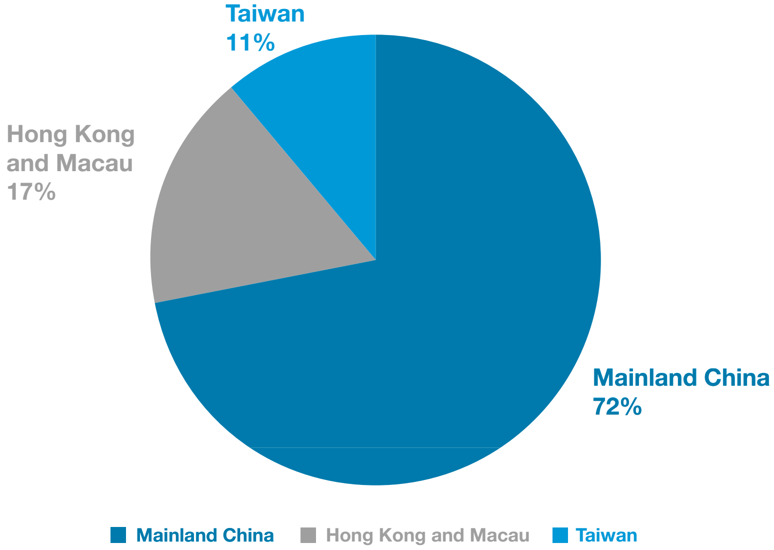


B. SOCIAL (Continued)

B1. Employment (Continued)

1.1 Employment Figures (Continued)

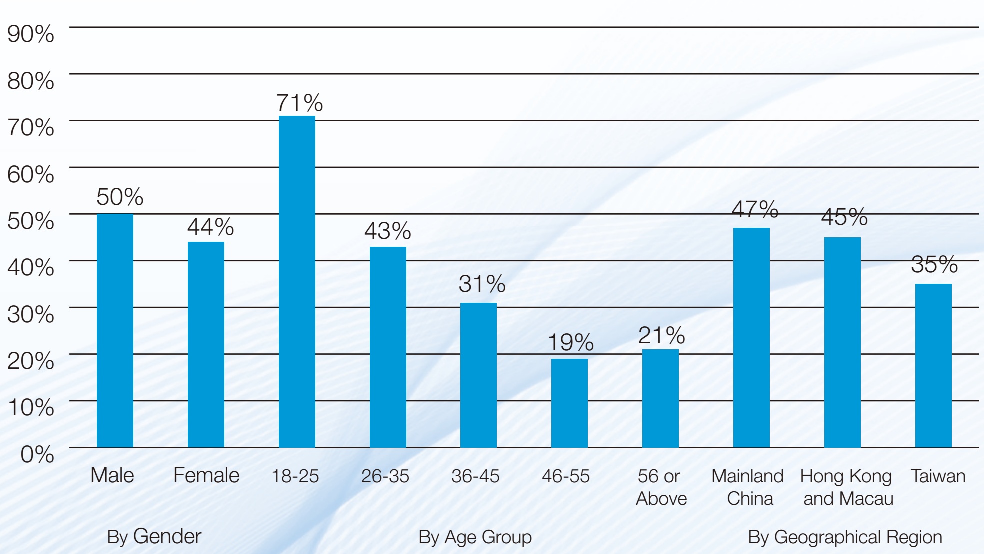
WORKFORCE BY GEOGRAPHICAL REGION



1.2 Turnover Figures

During the Reporting Period, a total of 460 formal employees left the Group (including 7 part-time employees and exclusive of associates). The overall turnover rate was 41.0%, which has decreased from 50.2% recorded in last reporting period. This is due to the Group's senior management implementing strategies to retain talent, as well as increase employee satisfaction and commitment.

Employee Turnover Rates



B. SOCIAL (Continued)

B1. Employment (Continued)

1.3 Employee Compensation and Benefits

The Group places significant importance on compensation and benefits packages and regards them as a crucial element. These packages not only attract and retain talented individuals but also serve as incentives for employees to unleash their full potential. Each leader is responsible for their own team of consultants and accountable for their annual performance and achieving set targets. When employees are motivated and their hard work and efforts are recognised, the Group experiences sustainable business growth and content employees. Therefore, employee remuneration is set in line with market trends, ensuring competitive compensation.

For formal employees within the Group, comprehensive remuneration packages, including salary and bonuses, are offered. They also receive a range of welfare benefits, such as medical care, retirement benefits, occupational injury insurance, and other miscellaneous items. The Group adheres to labour laws and regulations of the respective regions they operate in, and the employees are entitled to public holidays, marital leaves, maternity leaves, compassionate leaves, and annual leave. Regular performance appraisals are conducted to review work performance, and salary increases are awarded to employees who meet specific criteria. Tokens of appreciation, such as small gifts at the end of the year and before Chinese New Year, are given to express gratitude to employees for their hard work and enhance their sense of belonging.

Additionally, the Group has implemented various reward programs to recognise exceptional employee or team performance. These rewards are offered on an ad-hoc basis and may include monetary incentives to increase competitiveness and motivation. An example of such a program is the Million Club, which acknowledges individuals who achieve sales targets of RMB1 million within a year. Another example is the Values Star, which recognises individuals who actively practice the Company's cultural values in their daily work. The Group conducts quarterly and annual evaluations of the Values Star.

Regarding associates, who are employed on a contractual basis, their compensation and benefits are typically determined collaboratively by the Group and its clients, based on the project's requirements and nature.

B. SOCIAL (Continued)

B1. Employment (Continued)

1.4 Employee Communication

The Group places a strong emphasis on valuing the feedback and opinions of its staff, particularly from formal employees. To ensure that employees' comments are effectively communicated to management, the Group has implemented various approaches. One such approach is the establishment of a labour union, which acts as a bridge for communication between the Group and its employees. The labour union plays a crucial role in protecting employees' rights, facilitating discussions for management decisions, and encouraging employee participation in important matters. Additionally, the Group values transparency and fairness in its practices, and as such, it has mechanisms for employees to lodge complaints regarding unfair treatment or penalties through the human resources manager for appeal.

In order to gauge employee satisfaction and gather valuable insights, the Group conducts regular surveys. These surveys provide employees with the opportunities to express their opinions and provide feedback on their own departments, as well as supportive departments and the organisation as a whole. By actively seeking and considering employee's input, the Group strives to create a positive work environment and continuously improve its operations based on the needs and perspectives of its workforce.

Furthermore, the Group has implemented an Internal Communication and Reporting Policy. The policy is aimed at promoting a harmonious working environment through smooth and equal communication among employees. Internal communications and reporting are supported by this system.

The Group organises a variety of activities and events to foster employee engagement and communication. These include the 2024 New Year Kick-off Meeting, Lantern Festival celebrations, International Women's Day celebrations, Dragon Boat Festival celebrations, Buddy Programs, Mid-Autumn Festival celebrations, Halloween celebrations, and Christmas celebrations.

Additionally, Power Clubs were established at offices, including: Foshan, Guangzhou, Shenzhen, Wuhan, Changshu, and Shanghai. These clubs provide employees opportunities to pursue their interests, build networks, and engage in activities outside of work.

1.5 Equal Opportunity and Inclusiveness

The Group is committed to creating an inclusive and equal opportunity environment throughout the recruitment and employment process. Candidates are evaluated based on their qualifications, experience, and abilities, without any bias towards their gender, age, ethnicity, religion, sexual orientation, or marital status. Recruitment and remuneration are conducted without discrimination.

The Group values diversity and recognises the unique contributions that employees from different backgrounds bring to its culture and development. During the Reporting Period, the Group employed individuals with disabilities, demonstrating its commitment to providing opportunities to individuals from diverse backgrounds.

B. SOCIAL (Continued)

B1. Employment (Continued)

1.5 Equal Opportunity and Inclusiveness (Continued)

In support of working mothers, the Group has created dedicated and private lactation rooms within the workplace. These lactation rooms provide a comfortable and supportive environment for breastfeeding or expressing milk, ensuring their physical and mental well-being is supported while they are able to carry out their professional responsibilities.

The Group also actively embraces diversity in gender identities, promotes inclusivity in its daily operations. As part of this effort, the Group has established "gender-neutral toilets" in the Mainland China and Taiwan offices. By taking internal measures to advance gender equality and create a welcoming and inclusive environment, the Group aims to foster a workplace that respects and celebrates the diversity of all employees.

The Employee's Handbook also lays out measures and procedures regarding anti-discrimination, appeals, and termination, as to allow formal employees to review their provisions.

1.6 Attracting Talents

Employees are an integral part of ManpowerGroup. On top of the above-mentioned internal benefits and welfare, the Group has also established excellent external communication channels and strives to build a positive brand image to attract talents that may contribute value for the Group. By utilising the Company's website, social media, and inquiry hotline, it creates a positive impression, and provide potential candidates a window into what it is like to work for the Group. The Group also actively participates in industry events and conferences to achieve a broader reach and demonstrate its influence. Together with the cooperation with cross-sector institutes and organisations, the Group is confident that it will appeal to talents in the labour market who feel a strong tendency to work in a well-reputed and well-recognised firm.

To enhance its brand image, attract and retain top talents, the Group has integrated cultural values, including "integrity", "responsibility", "synergy", and "innovation", into the staff activities.

1.7 Creating Opportunities

The Group aims to create possibilities for people to fulfil their roles in society because it believes that everyone has a place there. It also views this as an obligation to demonstrate social responsibility. The Group has implemented an internal job rotation program organised by the HR department, which allows employees to apply for internal positions whenever available, thus creating more job transfer and career promotion opportunities for employees. It is aimed at increasing labour flexibility within the organisation, addressing employees' occupational needs, and fostering internal talent replenishment.

B. SOCIAL (Continued)

B2. Employee Health and Safety

As one of the five most material topics, improving the occupational health and safety of employees is a key focus for the Group. The Group complies with occupational health related laws and regulations of the respective regions they operate in to avoid any health risks from being imposed onto its employees. These laws are listed in the following table.

Mainland China	Hong Kong	Macau	Taiwan
• Labour Law • Labour Contract Law • PRC Law on The Prevention and Control of Occupational Diseases	• Employees' Compensation Ordinance (Cap. 282) • Occupational Safety and Health Ordinance (Cap. 509)	• General Regulation on Health and Safety in a non-industrial work environment (Decree-Law 37/89/M) • Legal regime for compensation for damages arising from labour accidents and occupational diseases (Decree-Law no. 40/95/M)	• Occupational Safety and Health Act • Labour Safety Protection Act

2.1 Employees' Personal Health[4]

Although the industry that the Group belongs to is rather low risk in terms of potential health threats and danger, the Group still regards the protection of employees' personal health as a top priority.

The Group has taken the following steps to better protect health interests of its formal employees:

- Health checks are arranged for all new staff;
- Annual health checks are granted for certain qualified employees;
- Paid sick leaves granted to employees each year; and
- Business insurance plans with a broad coverage, including, outpatient services, hospital overnight stays, accidents, critical illnesses, are offered.

There were no work-related fatalities occurred in the past three years including the Reporting Period. During the Reporting Period, no formal employees suffered from work-related injuries. Hence, there was no lost day due to work injury.

2.2 Working Environment Safety

To make offices a comfortable place to work in, ventilation systems and air purifiers are installed to maintain offices' air quality, plants are placed along aisles and at corners, indoor temperature and humidity is adjusted regularly.

In precaution of any fire hazards, offices of the Group place a 4 kg dry chemical fire extinguisher every 25 meters; server rooms are installed with FM200 firefighting system; escape routes are equipped with control systems to cut the power of unnecessary office equipment off for firefighting equipment when necessary. Fire equipment is regularly inspected to ensure they can function properly and are secured in place. Fire drills and fire prevention trainings are carried out periodically to familiarise employees with the right procedures, tools to use, and locate escape routes in case of a fire. Air-conditioners, electricity and water distribution networks, and overall hygiene are also regularly inspected by professional inspectors.

[4] Policies outlined in the section is only applicable for the Mainland China region; Hong Kong and Taiwan both have their policies and are slightly different.

B. SOCIAL (Continued)

B3. Development and Training

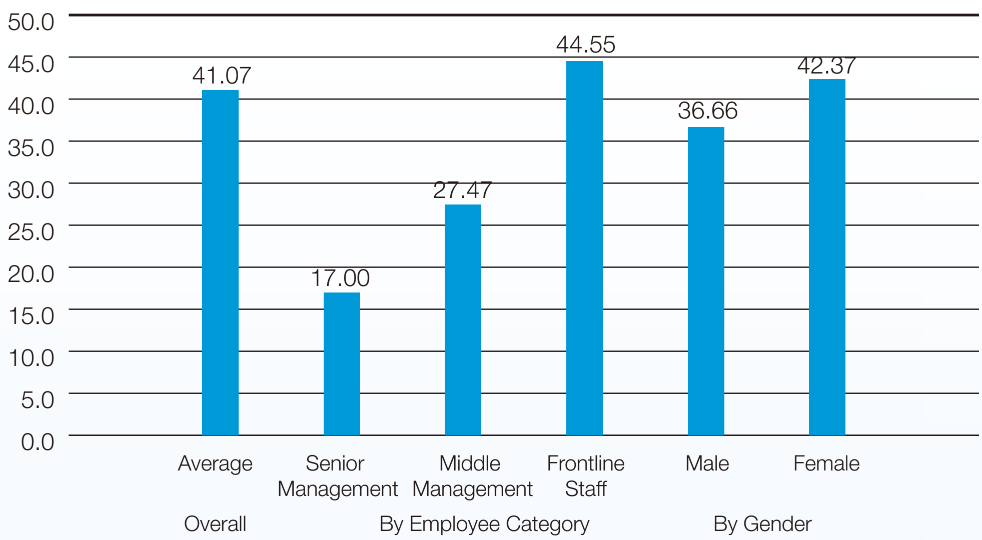
Development and training for employees is material for the Groups' stakeholders, especially to the business because of the Group's nature as a human resource company. By providing various development and training opportunities and team building activities to employees, the Group hopes to improve competence of the workforce, promote cohesion, and attract talents to join the workforce. The Group adheres to its corporate mission of unleashing the power of the human potential for progress. The Group actively encourages employees to improve their skills and knowledge by joining training and taking industry-related classes.

3.1 Employees Training

During the Reporting Period, 1,122 employees, or 100% of all employees, have engaged in at least one training program provided by the Group[5]. Each employee received an average[6] of 41.1 hours of training, representing a 1.5% increase compared to the previous reporting period. During the Reporting Period, 73 training sessions (including offline & online) were held.

	% of employees trained in category
By Employee Category	
Senior Management	100%
Middle Management	100%
Frontline and Other Staff	100%
By Gender	
Male	100%
Female	100%

Average Hours of Training Received by Each Employee



[5] Percentage of employees who received training = Total number of employees who received training as of 31 December of the Reporting Period / Total number of employees as of 31 December of the Reporting Period.

[6] Average training hours per employee = Total number of training hours provided to employees as of 31 December of the Reporting Period / Total number of employees as of 31 December of the Reporting Period.

B. SOCIAL (Continued)

B3. Development and Training (Continued)

3.2 Training for Formal Employees

In general, when a new employee joins the Group, their supervisors and the Group provide training for them. The Group identifies the training's objectives, suggests appropriate training materials for participants, assesses the training's impact, and keeps tabs on employees' post-training performance. The supervisors stay updated on their performance and development to determine whether more training is necessary. Internally, the Group delivers training focused on enhancing employees' professionalism, knowledge, and skills. During the Reporting Period, the three courses that make up the obligatory compliance training for all employees include the Group's business ethics, anti-corruption, and data protection. All employees received training including information on pertinent laws, regulations, case studies and examinations. The rigorous adherence to the Group's code of conduct and integrity is the responsibility of every member of the Group. Related training would also be held periodically to refresh employees' knowledge on the latest changes in policies and important regulations. Training topics offered are based on regular internal appraisals and review of individual and departmental performances. The following table shows a more detailed description of the general training that were arranged during the Reporting Period.

Training Offered	Topic	Description	Target Group
New Staff Training	Orientation	Help new employees understand the Group's culture and products	New employees
	Career Path Training	Help employees understand their roles and responsibilities of their job positions	New/interested employees
	Bonding Camp	Help the batch of 2024 hires blend into their respective teams as soon as possible and improve their skills	Employees recruited in 2024
	Legal Compliance	Explain the terms of labour and business contracts in detail, point out important reminders, and usual procedure regarding legal compliance	New employees
	IT Systems and Information Security	Familiarise employees with the office and business systems, and training platforms	New employees
	Occupational Health and Safety	Brief employees about legal obligations and best practices in maintaining a safe and healthy workplace	New employees/all employees

B. SOCIAL (Continued)

B3. Development and Training (Continued)

3.2 Training for Formal Employees (Continued)

Training Offered	Topic	Description	Target Group
Ethics and Business Conduct Training	Business Conduct Training	Communicate principles and policies of business conduct and anti-corruption to maintain an ethical working environment	All employees
Business Skills Training	Industry Know-how	Improve employees' competence and skill sets, and speed up integration into their corresponding teams	New staff in Flexible Staffing Department
	Advanced Business Skill	Further enhance employees' ability and capacity by delivering product training, analysing standard operation procedures, and scenarios sharing	Hiring, Customer Service, and Sales Roles
Generic Skills Enhancement Training	Studying and Applying knowledge	Improve employees' industry knowledge and cultural exchange	All employees
	Mind-mapping	Advice on ways to organise thoughts and improve thinking efficiency	All employees
	Public Speaking	Improve public speaking skills and fine tune delivery	Potential talents of each team
Development Training	Team Building	Improve bonds within and between departments, and boost cohesion	All employees
Leadership Training	Management Leadership Skills	Improve management communication and integrated leadership skills	Management

To familiarise employees with the industry and market trends, the Group encourages all employees to attend external classes and conferences and take examinations on human resourcing. These are provided by professional training companies and include advanced headhunting courses which covers search skills, search channels, customer management, headhunting work efficiency management, etc. Tuition and examination fee for these classes are reimbursed upon the completion of the classes and passing the exams. When employees have successfully attained relevant qualifications, they also receive some reward from the Group.

B. SOCIAL (Continued)

B3. Development and Training (Continued)

3.3 Training for Associates

All new associates are provided with pre-entry and pre-duty training. When associates are allocated with different projects, position responsibility and clients' expectation and requirements are communicated. When clients' needs are recognised, trainings are designed for respective employees. During the contract of the associates, the Group also frequently contacts the clients to ensure that the qualities of associates meet their expectations. Associates' performance is regularly reviewed through communications with clients in case further training is required. Trainings for basic skills and etiquettes are conducted by the Group according to clients' preference; while those that involve more professional guidance and industry-related knowledge are conducted by clients.

During the Reporting Period, the Group was able to utilise the multiple platforms in place to deliver flexible online training sessions, such that associates were provided more opportunities to continue learning.

B4. Labour Standards

Labour standards is an important aspect for the Group given its business nature. The Group strictly abides by all labour standard laws and regulations of the respective regions they operate in to protect children and prevent child labouring. Laws of each region are listed as follows.

Mainland China	Hong Kong	Macau	Taiwan
• PRC Law on Protection of Minors	• The Employment of Children Regulations under the Employment Ordinance (Cap. 57)	• List of jobs prohibited to minors (Chief Executive Order no. 344/2008)	• Labour Standards Act

The Group always asks for the identification documents to verify candidates' age when they apply for the Group's positions. Child labour or forced labour are never recruited and all employees are recruited through legal channels and are legitimate for work. If such practice is discovered, the Group will immediately end the contract with the involved subcontractors or employee and investigate the case to avoid recurrence. There was no non-compliance during the Reporting Period.

B. SOCIAL (Continued)

Operating Practices

B5. Supply Chain Management

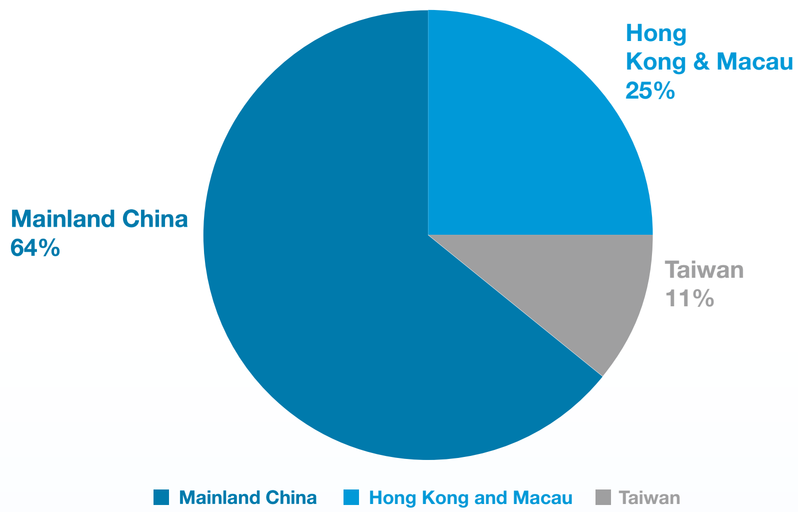
Aside from putting a heavy focus on its own ESG performance, the Group is also attentive to and stresses on the ESG performance of its suppliers and business partners. By doing this, the Group hopes to spread its influence and raise awareness among its suppliers and partners in other industries, and to remain as a leader and role model in the industry for promotion of corporate responsibility.

The Group's supplier contract outlines policies for employment, the abolition of child labour, social responsibility, professional ethics and environmental protection, and suppliers are required to abide by them.

5.1 Number and Types of Suppliers

The Group engaged with 1,919 suppliers during the Reporting Period. The Group usually partners with those that are near the Group's operations such that air emissions can be minimised if transport of supplies or services are necessary.

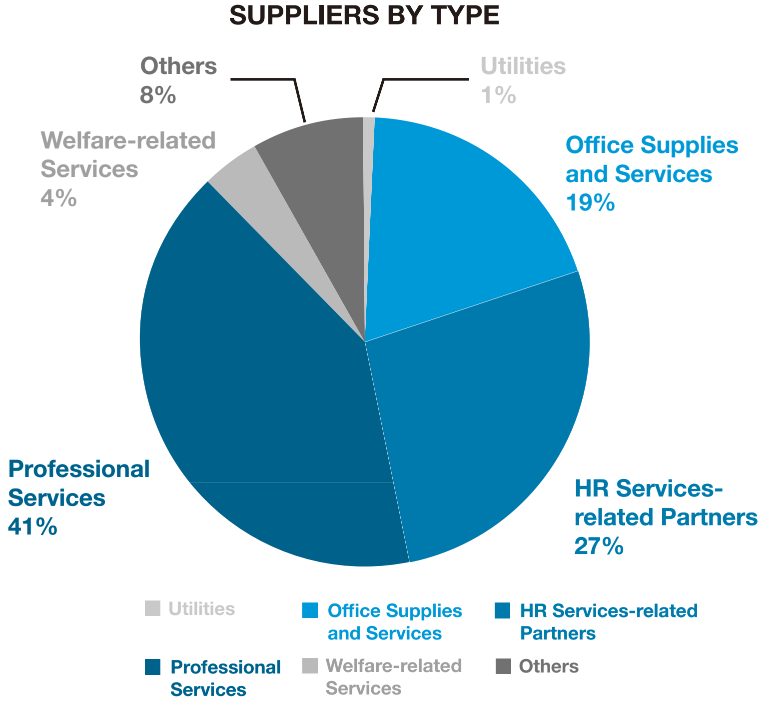
SUPPLIERS BY GEOGRAPHIC REGION



B. SOCIAL (Continued)

B5. Supply Chain Management

5.1 Number and Types of Suppliers (Continued)



Note: "Others" include suppliers that provide transportation services, courier services, accommodation services, administrative affairs services etc.

The Group uses a variety of procurement strategies to evaluate and manage its suppliers' ESG commitments. When working with a new supplier, the Group will first check whether the supplier's qualifications are complete and if its business scope on its business license covers the services it provides to the Group. The Group assesses the validity of the suppliers' license, certificates, and proof of support. Simultaneously, the Group compares supplier prices against other suppliers and external price benchmarks. The Group screens through a supplier's website and the National Enterprise Credit Information Publicity System to see if the supplier has breached any laws, been fined, been involved in any legal proceedings, etc. Additionally, the Group favours vendors who have earned ISO management system certification, such as the ISO 14001 Environmental Management System.

Once a potential supplier passes through the initial assessment, it must make ESG commitments based on the terms outlined by the Group in the supplier contract. The terms include environmental and social obligations. They involve terms regarding business integrity, and requirements asking for the fair treatment of employees, customers, clients, and the environment. Violating the terms of the supplier contract will be subjected to penalisation. The Group performs basic due diligence on the suppliers. The Group visits suppliers occasionally, remains aware of how the suppliers are operating, and identifies potential issues by communicating with them on a regular basis.

The Group reviews its suppliers once a year and performs occasional visits to assess suppliers' performances. Suppliers which have failed their performance and compliance capacity or have not operated in accordance with the agreements made will be delisted.

B. SOCIAL (Continued)

B6. Product Responsibility

The product of the Group is integrated human resourcing services, including flexible staffing, headhunting, recruitment process outsourcing, and other human resources services. The Group understands that it holds great responsibility for the performance and quality of its talents headhunted or associates outsourced, the follow-up of its services, the handling method of private data of clients and talents, and the treatment of patented or copyrighted items. The following laws and guidelines are therefore strictly followed by the Group.

Mainland China	Hong Kong	Macau	Taiwan
• Criminal Law • Advertising Law • Cyber Security Law • Provisions on Protecting the Personal Information of Telecommunications and Internet Users	• Personal Data (Privacy) Ordinance (Cap. 486) • Office of the Privacy Commission for Personal Data, Hong Kong • Trade Marks Ordinance (Cap. 559) • Patents Ordinance (Cap. 514) • Copyright Ordinance (Cap. 528)	• Consumer Protection Law (Law no. 12/88/M) • Macau Advertising Law (Law no. 7/89/M) • General Contract Clauses (Law no. 17/92/M) • General Regulations on Product Safety (Administrative Regulation no. 17/2008)	• Trade Secret Law • Trademark Law • Patent Law • Copyright Law • Personal Data Protection Act

6.1 Quality Assurance

The Group emphasises on service quality and is devoted to providing high quality workforce solutions to its clients. Its efforts in providing quality services had earned the Group multiple awards during the Reporting Period. The Group is committed to helping its clients find the right people for their workforce. It has the following procedures to assure the quality of services.

To make sure that projects run smoothly, the Group's customers receive one-on-one service throughout each service period. When the Group receives requests from clients for outsourced staff or talents for permanent positions, the Group first clarifies their requirement, the nature and responsibility of the position, and other details of the job to better understand clients' expectations. The Group then selects, screens, and recruits talents from its database based on the needs of its clients. Shortlisted candidates are then notified and interviewed, and those who best meet the clients' expectations are referred to the clients, who may conduct additional rounds of interviews to ensure the candidates' competency. When clients express their preferences, the Group conducts background checks on the candidates before they are formally hired. The Group also monitors the performance of associates or talents during their contracts to ensure that they are meeting expectations. If not, training for associates may be arranged to ensure they are capable of fulfilling their roles. Candidates who fail to meet expectations for permanent positions will be replaced by alternate candidates until clients are satisfied. All of these measures contribute to ensuring that outsourced staff is of the highest quality possible.

B. SOCIAL (Continued)

B6. Product Responsibility (Continued)

6.2 Communication and Customer Service

During the contract period of outsourced employees, the Group continues to communicate with clients to collect feedback and ensure service satisfaction. To understand how clients and customers perceive its services, the Group takes the following steps. As previously stated, when suitable candidates are found for clients, the Group takes steps to conduct background checks on them before they are formally hired for quality assurance. Throughout the employment, the Group conducts periodic client surveys to solicit feedback in order to better understand the gaps that need to be addressed and improved. The service quality of associates is checked on a regular basis to ensure that their performances are up to standard and that their work is as described in the contract. If performance falls short of expectations, training will be arranged to close the gap. As for headhunting services, there is a "warranty period" scheme, during which the Group will replace suitable potential candidates for the position in cases if clients are dissatisfied with the candidates. Candidates who are returned by clients are to be deleted from the Group's talent database in order to keep the database's quality high.

In the last reporting period, the Group introduced new measures to further enhance customer satisfaction and service quality. The Group regularly organises customer satisfaction surveys to understand the level of customer satisfaction with service quality, collect valuable feedback, and identify areas for improvement. Additionally, the Group actively participates in customer's supplier quality surveys to gain insights into their assessment of service quality, enabling them to align their efforts with customer expectations and enhance service delivery.

To ensure effective complaint handling and maintain transparency, the Group accepts social supervision through dedicated 400 hotlines. Complaints received through these hotlines are promptly filed, and relevant department heads are contacted within three working days to initiate appropriate actions and resolve the issues raised. In addition, the Group has established a department liaison system to oversee the complaint handling process, ensuring that complaints are appropriately addressed and resolved in a timely manner.

During the Reporting Period, the Group received a total of 5 complaint cases. These cases primarily revolved around issues related to information misunderstanding/miscommunication and individual poor performance of staff. The Group took prompt action to address these concerns. To resolve the complaint cases, the Group engaged in effective communication with both the clients and staff involved. This helped to clarify any misunderstandings, improve information conveyance, and address any underlying performance issues. In some cases, the Group also took the necessary steps to replace underperforming staff members. There were no products sold or shipped subject to recalls for safety and health reasons on account of the Group's business nature.

To assess the effectiveness of these initiatives and drive continuous improvement, the Group conducts evaluations every six months. These evaluations serve to gauge the progress made in enhancing customer satisfaction and improving service quality. The insights gained from these evaluations guide the Group in making further enhancements and adjustments as needed.

B. SOCIAL (Continued)

B6. Product Responsibility (Continued)

6.3 Information Security Management

The Group regards the protection of customer data as the most important aspect of the business as the Group deals with a significant amount of personal data and other confidential information in the ordinary course of its business. Hence it had been regarded as one of the most material topics for the Group. If such sensitive information is hacked or leaked, the impact on clients and candidates is unpredictable. The Group therefore strictly follows laws and regulations and has well-established practices of treating sensitive information in all branches.

Information Collection

The Group must obtain consent from individuals before collecting personal data (including that of applicants and clients), which is typically agreed in the form of a privacy policy. Once the intended use of the personal data has been achieved, the retained personal data will be erased. Internal IT management standards exist and will be safeguarded through both physical and technical means. All employees are obligated to abide by the standards, which are also included in the employee handbook.

Information Storage and Protection

All storage of information, including those of clients, potential talents, employees, follows the regulated rules as listed in different regions. In Hong Kong, personal information must be kept for 2 years, after which shall be destroyed unconditionally, and the candidates shall not be contacted again, unless they initiate communication. Accounting data shall be kept for at least 7 years on the other hand. In Taiwan, personal data of potential candidates are to be kept for 5 years, after which shall be obliterated unconditionally. In Mainland China, the Group collects, stores, uses, and discloses personal data closely in accordance with PRC personal data protection laws as well. Such procedures never happen without the consent of relevant individuals. As the Group stores a huge amount of sensitive data, it puts great effort into data protection and has the following policies to deal with potential loss or leak of information in different situations.

The Information Protection Objectives:

- Prevent the leakage or theft of information or virus attacks from external parties
- Prevent the breach of sensitive data by employees
- Prevent loss of important information due to vandalism, natural disasters or accidental damage

To prevent the leakage or theft of information or virus attacks from external parties, much effort is put into protecting sensitive information. For example, access of data of customers, job seekers, or other users, is limited only to permitted internal employees. For extra security, offices and work areas can only be entered with an employee badge and all visitors have to register at the reception; CCTVs are installed at different parts of the office; software such as, demilitarised zones, firewalls, and Internet Behaviour Management systems are set up to prevent external users from visiting the internal server, prevent external attacks, and control visitors' internet speed; jump-servers are installed to monitor visitors who are using VPN; the size of attachment allowed in an email from an external sender is restricted; two-factor authentication is required to sign in to mailboxes; complex passwords are set up for all servers; installation of unauthorised software or applications onto computers are prohibited; antivirus software are installed and potential loopholes are regularly checked and addressed; data stored on external hard drives that are no longer needed are erased and computers that cannot be used anymore are destroyed, etc.

B. SOCIAL (Continued)

B6. Product Responsibility (Continued)

6.3 Information Security Management (Continued)

Information Storage and Protection (Continued)

To prevent the breach of sensitive data or trade sensitive information by the Group's own employees, by mistake or by intention, the Group has established several policies and terms in the Employees' Handbook and the employee contracts. They include the Group's Employee Use of Computing Resources, Principle of Data Privacy and Policy Guidance, Non-Disclosure Agreement, etc. which employees must follow strictly. For example, employees shall use only computers and networks providers as appointed by the Group; computers' USB ports shall be enclosed; computer passcodes shall be changed every 90 days; suspicious incidents regarding information system security shall be reported immediately when recognised, etc. Any personnel who violate the policies may risk the termination of the employment.

To prevent the loss of important information due to vandalism, natural disasters, or accidental damage, the Group also has policies of securing data and recognising damaged data. For example, off-site facilities are set up to maintain backup files in the event of a disaster; off-line media shall be secured by specific procedures and processes; backup tapes and removable disks containing such information must be identified, labelled, and protected. All these measures can help protect security of data or identify and understand the range of data loss if unavoidable.

In cases of detection of abnormal activities, such as visits from unusual addresses, drastic increase in access demand, network interruption, the system sends out alerts. If information had been leaked, the source of leakage would be cut off at once. Evidence would be kept, and the case would be reported and followed up by an investigation for the cause of the event and the loophole would be fixed. The Group must also notify its legal counsel, who will assist in determining if the issue is material, the correction action steps to take, and how the breach should be communicated to the client or relevant parties.

The Group has not experienced any leakage of information so far. During the Reporting Period, the Group had held training sessions on information system security and cybersecurity to strengthen its employees' understanding on relevant issues.

6.4 Advertisement

The Group firmly follows the requirement as stated in the Provisions on Talent Market Administration and the Interim Regulations on Human Resources Market for human resources services agency. According to the regulations, basic information and recruitment information (such as number of employees, recruitment conditions, work responsibilities, workplace, and basic labour remuneration) released to the public or provided to the human resources service institution by the employer shall be authentic and lawful. No discriminatory information in aspects such as nationality, race, gender, or religious belief shall be contained. The Group never provides false information, makes false promises, or publishes false recruitment advertisement.

To enable all employees in the Group to operate according to the law and regulation, all relevant requirement of law and regulation regarding the advertisement has been included in the Employee's Handbook.

B. SOCIAL (Continued)

B6. Product Responsibility (Continued)

6.5 Intellectual Property Rights

The Group also views intellectual property ("IP") rights as an important aspect of the business. In order to protect the Group's IP, safeguard the Group's legitimate interests, and give full play to the benefits of IP assets, the Group has several IP rights related policies. For key business trademarks and licenses such as "Manpower", they have been registered by Manpower Inc. and the Group has been granted the use in Greater China area. The legal department is responsible for constantly renewing, improving, and monitoring its IP rights-related policies and regulations, as well as registering, renewing, and transferring its IP licenses or status. The marketing department oversees the use of the Group's trademark.

Employees are expected to participate in the protection of the Group's IP, as well as comply with all agreements regarding the IP of its suppliers. Once any suspicion of IP infringement is identified, it should be reported to the legal department. The legal department shall then investigate the reported cases in a due manner and proceed with legal actions by the seriousness of the cases. Relevant terms and conditions are written on the Employee's Handbook and the Group's intranet for employees' reference for their daily work. The supplier contract also contains pertinent clauses on the protection of IP rights.

The Group has not been involved in any significant disputes or lawsuits regarding intellectual property rights during the Reporting Period.

B7. Anti-corruption

The Group firmly prohibits bribery and corruption of any kind in connection with the its business. The Group holds a strong stance against the acceptance of any materials in return for a favour or unfair competition, and the use of deception for personal advantage. For the above reasons, the Group strictly follows laws and regulations such as the Anti-Monopoly Law of the PRC, Notice on Giving Full Play to Trial Functions and Combating Commercial Briberies of the PRC, Prevention of Bribery Ordinance (Cap. 201) of Hong Kong, Prevention and Suppression of Bribery in the Private Sector (Law no. 19/2009) of Macau, and the Anti-Corruption Act of Taiwan. Internal policies, such as the Code of Business Conduct and Ethics, have also been established to effectively minimise the chances of misconduct, and are reviewed and updated on an annual basis to align with local and national anti-corruption laws and regulations. The whistleblowing channels are set out in the Fraud Reporting Policy and the Employee's Handbook.

During the Reporting Period, there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

7.1 Prevention of Corruption

To enable all entities to conduct their business in an ethical manner, the Group has adopted an Anti-Corruption Policy and Policy on Gifts, Entertainment and Sponsorships. This policy strictly bans any party of the Group to offer, promise, approve, engage, authorise, or transfer any forms of unethical incentives or payments with the purpose of influencing a decision or obtaining commercial advantage. The involvement in any role of a bribery is strictly forbidden.

B. SOCIAL (Continued)

B7. Anti-corruption (Continued)

7.1 Prevention of Corruption (Continued)

The Antitrust and Fair Competition Policy has also been introduced to ensure that the Group does not receive criminal or civil penalties, business disruptions, or harm in reputation. In general, the Group prohibits anyone from, (i) reaching an agreement with a competitor to restrain trade by fixing prices, allocating clients, or coordinating bidding activities, (ii) reaching an agreement with other companies not to do business with another company, and (iii) abusing a large market-share position by engaging in below-cost pricing in order to harm competitors. Exclusive sale arrangements, selective discounting, are also activities to be restricted under the policy. As these restrictions are often complex, any unclear decisions shall be informed to, discussed with, reviewed and approved by the general manager, who shall also have appointed an individual within the entity to be its compliance officer assisting it in understanding and following such laws.

7.2 Whistle-blowing Policies

The Fraud Reporting Policy allows staff to report suspicious cases of behaviours acting against the principles of honesty and integrity. All employees, officers, members of the Board of Directors, and others who act on behalf of the company are to follow the above rules and report any suspected violations to the compliance officer directly in due course. These cases can be grouped into the broad categories of fraudulent financial statements, asset misappropriation, and bribery and corruption, which include the behaviours as described above. To ensure the effective implementation of the policy, scenarios that are regarded as frauds, and solutions to such circumstances have been identified and discussed according to applicable local laws and regulations. Reports are to be made to the compliance officer or the general manager of the respective entity of the person involved. If the general manager is suspected, the reports should be made directly to the Legal Department of the headquarters.

The Group will strictly keep the confidentiality of reporting employees and fairly evaluate and handle reports. The Legal Department should assess the authenticity and validity of the reported information based on the preliminary written evidence submitted by the reporter. If the reported information is valid, the Legal Department should accept it and file the case for investigation, and handle the matters reported by employees promptly. If the Legal Department deems it necessary, it may introduce other third-party organisations, such as law firms, and accounting firms, to conduct further investigation.

To avoid any unclarity and blurred lines, guidance on cases considered as fraud, and reporting methods of identified or suspected frauds are available on the online reporting system of the Company's website. Annual training on the topic of corruption is also arranged for employees. Once reports are made, the general manager is responsible for facilitating communications and updates, organising investigations, and providing solutions to the reported cases.

Appropriate actions will be taken against the party involved in a fraud after consulting with legal and compliance, human resource, and risk management departments. Prosecution, termination and restitution in cases will be supported by the Group if enough evidence is available. It is also the practice of the Group that the identity of any person making a report will remain confidential, except to the extent necessary for the protection of the Group's interests or required by laws, to let employees know that it is always safe to report suspicious cases.

B. SOCIAL (Continued)

B7. Anti-corruption (Continued)

7.3 Anti-corruption Training

During the Reporting Period, three mandatory compliance training courses were conducted for all employees. The training targeted all staff members and covered relevant policies, regulations, case studies, and examinations. The courses included the following:

- Greater China Business Conduct and Ethical Standards
- Anti-Bribery in Business
- Cybersecurity and Personal Information Protection

During the Reporting Period, compliance training was provided to 100% of the Group's directors and staff. On average, each employee received 1.5 hours of training on compliance topics. The training sessions focused on explaining and discussing the relevant laws and regulations, company policies, and notable past cases. Additionally, examinations were administered to ensure that employees understood and retained the training content.

It is the responsibility of every employee to strictly adhere to the Code of Conduct and protect the Group's integrity and reputation. By providing comprehensive compliance training, the Group aims to maintain employees' vigilance against anti-corruption and promote a culture of ethical behaviour throughout the organisation.

B8. Community Investment

The Group regards community investment as its duty as a responsible corporate citizen. The Group has a long history of putting forth significant effort in two major areas of contribution: local employment promotion and community caregiving.

8.1 Local Employment Promotion

The Group had released multiple outlook reports on various industries during the Reporting Period, including the "Automotive World of Work 2024 Outlook" and "Healthcare and Life Sciences World of Work 2024 Outlook". These reports aimed to provide valuable insights and guidance for individuals seeking careers in various industries, shedding light on the emerging technologies and trends that are shaping industries across the world, equipping job seekers with the knowledge and understanding necessary to navigate the rapidly evolving landscape. By sharing these reports, the Group has been actively contributing to empowering individuals, and helping them make informed decisions about their career paths.

Furthermore, the Group had also released the "World of Work Outlook for Women in 2024" during the Reporting Period, which highlighted the need for gender parity in global workforces. Through the disclosure of data, figures, and trends of women in the workforce, the Group reaffirms their commitment to gender equality and inclusiveness, as well as promotion of Diversity, Equity, Inclusion, and Belonging Initiatives.

B. SOCIAL (Continued)

B8. Community Investment (Continued)

8.1 Local Employment Promotion (Continued)

Each quarter, a report of "ManpowerGroup Employment Outlook Survey" (MEOS) is released. The latest comprehensive survey published on 10 December 2024 covered employment covered a diverse range of industries and regions, polling 40,413 employers from 42 countries on their hiring intentions for the first quarter of 2025. Recognised worldwide as a key economic indicator, MEOS offers a unique perspective on the employment landscape, shedding light on critical insights into the hiring intentions and expectations of employers.

The MEOS survey serves as a valuable tool for job seekers, career planners, and human resource professionals. It is not just a barometer of economic health; it is a roadmap to success. By leveraging the employment trends and predictions outlined in MEOS, individuals and organisations can make more informed decisions about their workforce strategies, career paths, and recruitment plans. This quarter's release continues the Group's commitment to providing the most up-to-date and actionable insights into the global job market.

During the Reporting Period, the Group sent 6 recruitment consultants to participate in the "Greater Bay Area Youth Employment Scheme and New Opportunities Job Fair" organised by the Labour Department of Hong Kong. During the 8-hour event, the Group's consultants matched youths with jobs, conducted on-the-spot interviews, and shared employment information about the Greater Bay Area.

In addition, the Group sent 4 recruitment consultants to University of Saint Joseph in Macau to share information on employment opportunities and conduct interviews for job positions in Macau over a 2-day event totalling 12 hours.

The Group had also participated in the "Excellence + Action in Shanghai: Ten Schools, Hundred Enterprises, Thousand Positions" 2024 Graduates Job Fair held by Shanghai Second Polytechnic University, which sought to expand employment channels for graduates and provide employment services for key groups in the local community of Pudong New District.

ManpowerGroup Taiwan team actively participates in and supports various social innovation and youth development initiatives. Through the industry-first "Web 3.0 Talent Demand Revolution Project", the Group assisted young people in exploring future opportunities and implement youth career exploration programs, with a particular focus on the growth of low-income and disadvantaged groups. After a rigorous review process, the Group has been recognised as a member of a social innovation organisation. This acknowledgment reflects the Group's commitment to promoting social responsibility and sustainable development, and the Group looks forward to continuing its contributions in the future to create more value for society.

ManpowerGroup Taiwan team also took part in various intern programs, such as direct participation in National Chi Nan University's intern programme and indirect participation through coordinating the Taiwan Ministry of Education Youth Development Administration's intern programme. These programmes offered internship opportunities to university students, as to allow them to gain early exposure to the operational models and job responsibilities of human resources service companies or public sector before graduation.

Through these initiatives, the Group demonstrated its commitment to making a positive impact on the community. By promoting local employment and providing valuable resources and support, the Group played a vital role in fostering economic growth, empowering individuals, and contributing to the overall well-being of the communities it serves.

B. SOCIAL (Continued)

B8. Community Investment (Continued)

8.2 Professional Knowledge Sharing

As a leading human resource service provider, the Group has made significant contributions in the education sector by actively collaborating with universities and providing career empowerment opportunities.

The Group had collaborated with Red Cross and DEI@WORK to host the "Promotion of Workplace Inclusion for People with Disabilities" exchange event during the Reporting Period. Over the 4-hour sharing session, the Group shared their experiences and insights on employing people with disabilities, as to promote disability employment culture among corporate management and to eliminate stereotypes about people with disabilities. The Group has long supported and promoted workplace inclusion for people with disabilities, as well as emphasised the importance of employment for people with disabilities.

The Group and the Hong Kong Productivity Council had also co-hosted the "HKPC Academy – Smart HR Forum" during the Reporting Period. The forum allowed speakers from the Group to share insights on workplace AI applications and experiences, analysis on corporate demand and readiness for AI, and forecasts for the most sought-after emerging technical talents in the future workplace. Through successful case studies, the Group shared how AI can enhance training, boost employee engagement and belonging, and effectively streamline HR administrative processes to build more efficient management systems.

During the Reporting Period, ManpowerGroup Taiwan team collaborated with the Taipei City Government Department for Youth to organise the "Youth Empowerment for Municipal Internship and Action Leadership Program" workshop, inviting university students from Shih Hsin University, Chinese Culture University, Soochow University, and National Chengchi University to participate. Through personality trait assessments and analysis conducted by professional career consultants from the Group, students gained a deeper understanding of their own personalities and career inclinations. Additionally, the workshop content integrates students' academic achievements to introduce and discuss public affairs, encouraging them to consider public sector work as part of their future career plans. It also guides them in exploring internship opportunities, opening up new directions for career planning.

ManpowerGroup Taiwan team had also collaborated with the Kaohsiung City Government Youth Bureau to host the "Dagang Youth Career Development" event for students from secondary schools and tertiary education institutions in Kaohsiung during the Reporting Period. This initiative aimed to help young people understand the industrial landscape and future employment trends in Kaohsiung, as well as the unique characteristics of local industries. By adopting innovative perspectives, it sought to uncover niche industries in Kaohsiung that align with individual strengths and interests, fostering a deep sense of local belonging. The program assisted students in exploring suitable career paths and understanding workplace trends during their academic years, while also providing guidance for high school and vocational students in choosing university majors and post-graduation employment options. The ultimate goal is to encourage young people to stay and develop their careers in Kaohsiung after graduation, contributing to the city's growth. Through this program, young individuals can not only enhanced their understanding of Kaohsiung's local industries but also discovered more possibilities for their career planning.

By investing in education and career development, the Group demonstrates its commitment to nurturing talent, fostering innovation, and supporting the next generation in their professional journeys.

B. SOCIAL (Continued)

B8. Community Investment (Continued)

8.3 Community Health

The Group sponsored HK$20,000 for the 11th Hong Kong Rehabilitation Power On-the-Job Achievers Awards Ceremony during the Reporting Period. The awards ceremony aimed to honour individuals with disabilities who have demonstrated a positive attitude and perseverance to making outstanding contributions to society. This event not only boosted their confidence in public employment, but also promoted societal recognition of the work capabilities of people with disabilities. Their inspiring stories demonstrated the power to overcome challenges and make significant contributions regardless of physical condition, while advancing the goals of inclusion and equal employment.

During the Reporting Period, ManpowerGroup Taiwan team assisted the Taipei City Government in planning and organising the 2024 Harvard World Model United Nations Conference held in Taipei City. The annual conference allowed for local students to engage in in-depth exchanges with outstanding youth representatives from around the world, thus inspiring youths to connect with the world, broaden their horizons, cultivate global citizenship, and adopt a proactive attitude toward participation.

Last but not least, ManpowerGroup Hong Kong team solidified the Group's commitment to ESG principles during the Reporting Period, and this commitment extends beyond internal practices. In recognition of the Group's active practices in caring for local community, caring for its employees, and caring for the environment, the Group was awarded the Caring Company Award by the Hong Kong Council of Social Service.

Independent Auditor's Report

Deloitte. 德勤

TO THE SHAREHOLDERS OF
MANPOWERGROUP GREATER CHINA LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of ManpowerGroup Greater China Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 115 to 203, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and trademarks with indefinite useful lives related to Event Elite Production and Promotion Limited	
We identified the impairment assessment of goodwill and trademarks with indefinite useful lives related to Event Elite Production and Promotion Limited ("Event Elite") as a key audit matter due to the significant degree of judgment by management of the Group associated with the underlying assumptions in the determination of the recoverable amounts. As disclosed in notes 4 and 17 to the consolidated financial statements, significant judgments and estimation were exercised by the management in determining assumptions and estimates involved in the forecasting of future cash flows, which form the basis of the impairment assessment of the goodwill and trademarks with indefinite useful lives of Event Elite. The key assumptions and estimation included discount rates and revenue growth rates which are dependent on macro and micro-economic factors and accordingly, the calculation of the value in use of Event Elite has a high degree of estimation uncertainty. Management performed an impairment assessment of the cash generating unit containing the goodwill and trademarks with indefinite useful lives related to Event Elite in accordance with the requirements of International Accounting Standard 36 *Impairment of Assets* and as disclosed in note 17 to the consolidated financial statements. The carrying amount (net of accumulated impairment losses, if any) of the goodwill and trademarks with indefinite useful lives of Event Elite were approximately RMB23,932,000 and RMB33,505,000, respectively, as at 31 December 2024.	Our procedures in relation to the impairment assessment of goodwill and trademarks with indefinite useful lives of Event Elite included: • Obtaining an understanding of management's process of impairment assessment and the methodology applied by management in performing its impairment test for goodwill and trademarks with indefinite useful lives related to Event Elite; • Involving our valuation experts to evaluate the valuation methodology and assess the reasonableness of the discount rates in the impairment assessment applied by management and benchmarked the discount rates applied to other comparable companies in the same industry; • Assessing the reasonableness of the assumed revenue growth rates applied in the cash flow projections approved by the management by comparing them with historical trends, economic and industry forecasts; and • Analysing the historical accuracy of the cash flow projections, on a sample basis, by comparing them to the actual results in the current year and understanding the causes of any significant variances.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wan Wai Nga.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	5	6,270,538	5,303,592
Cost of services		(5,656,910)	(4,681,013)
Gross profit		613,628	622,579
Selling expenses		(339,431)	(358,884)
Administrative expenses		(96,603)	(101,887)
Other income	6	20,818	19,194
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	32b	(1,809)	(2,213)
Other gains and losses	7	(5,391)	4,619
Finance costs	8	(1,288)	(1,838)
Share of profit of associates		712	2,978
Profit before tax		190,636	184,548
Income tax expense	9	(42,536)	(37,956)
Profit for the year	10	148,100	146,592
Other comprehensive (expense) income			
Items that will not be reclassified to profit or loss:			
Fair value loss on equity instruments at fair value through other comprehensive income ("**FVTOCI**")		(569)	(746)
Actuarial (losses) gains from remeasurement of defined benefit obligations, net of tax		(237)	74
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		4,903	7,975
Other comprehensive income for the year, net of tax		4,097	7,303
Total comprehensive income for the year		152,197	153,895

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	NOTE	**2024** **RMB'000**	2023 RMB'000
Profit for the year attributable to:			
Owners of the Company		**129,848**	126,476
Non-controlling interests		**18,252**	20,116
		148,100	146,592
Total comprehensive income for the year attributable to:			
Owners of the Company		**133,419**	130,948
Non-controlling interests		**18,778**	22,947
		152,197	153,895
Earnings per share	*14*		
Basic *(RMB)*		**0.64**	0.62
Diluted *(RMB)*		**0.64**	0.62

Consolidated Statement of Financial Position

At 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property and equipment	*15*	**9,207**	11,326
Right-of-use assets	*16*	**36,497**	40,134
Goodwill	*17*	**57,994**	56,809
Other intangible assets	*18*	**71,403**	71,195
Interests in associates	*19*	**29,995**	35,869
Equity instruments at FVTOCI	*20*	**8,390**	8,959
Deferred tax assets	*21*	**11,177**	10,967
Other receivable	*22*	**4,096**	5,977
Deposits	*22*	**25,051**	19,497
Restricted bank deposits	*24*	**50,318**	48,778
Retirement benefit assets	*30*	**621**	907
		304,749	310,418
CURRENT ASSETS			
Trade and other receivables, deposits and prepayments	*22*	**1,312,439**	888,016
Amounts due from related companies	*23*	**4,383**	3,806
Restricted bank deposits	*24*	**500**	231
Time deposits with original maturity over three months	*24*	**177,671**	228,705
Bank balances and cash	*24*	**752,377**	706,434
		2,247,370	1,827,192
CURRENT LIABILITIES			
Trade and other payables	*25*	**1,029,404**	690,783
Contract liabilities	*26*	**51,143**	62,747
Lease liabilities	*27*	**15,772**	25,280
Amount due to a shareholder	*23*	**11,109**	10,854
Amounts due to related companies	*23*	**911**	1,299
Tax payables		**19,690**	25,166
		1,128,029	816,129

Consolidated Statement of Financial Position

At 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
NET CURRENT ASSETS		**1,119,341**	1,011,063
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,424,090**	1,321,481
NON-CURRENT LIABILITIES			
Other payables	*25*	**4,888**	5,457
Deferred tax liabilities	*21*	**22,749**	21,495
Lease liabilities	*27*	**19,605**	14,567
		47,242	41,519
NET ASSETS		**1,376,848**	1,279,962
CAPITAL AND RESERVES			
Share capital	*28*	**1,830**	1,830
Reserves		**1,251,170**	1,169,011
Equity attributable to owners of the Company		**1,253,000**	1,170,841
Non-controlling interests		**123,848**	109,121
TOTAL EQUITY		**1,376,848**	1,279,962

The consolidated financial statements on pages 115 to 203 were approved and authorised for issue by the board of directors on 26 March 2025 and are signed on its behalf by:

CUI Zhihui
DIRECTOR

Victor HUANG
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Shares held for restricted share unit schemes ("RSU Schemes") RMB'000	Share-based payments reserve RMB'000	Translation reserve RMB'000	Statutory reserve RMB'000 *(Note)*	Investment revaluation reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023	1,830	414,171	(36,537)	19,401	(13,273)	54,002	–	615,579	1,055,173	95,874	1,151,047
Profit for the year	–	–	–	–	–	–	–	126,476	126,476	20,116	146,592
Fair value loss on equity instruments at FVTOCI	–	–	–	–	–	–	(746)	–	(746)	–	(746)
Actuarial gains from remeasurement of defined benefit obligations, net of tax	–	–	–	–	–	–	–	44	44	30	74
Exchange differences arising on translation of foreign operations	–	–	–	–	5,174	–	–	–	5,174	2,801	7,975
Total comprehensive income (expense) for the year	–	–	–	–	5,174	–	(746)	126,520	130,948	22,947	153,895
Disposal of a non-wholly owned subsidiary	–	–	–	–	–	–	–	–	–	(1,141)	(1,141)
Purchase of shares under RSU Schemes *(note 29(ii))*	–	–	(148)	–	–	–	–	–	(148)	–	(148)
Recognition of equity-settled share-based payments *(note 29)*	–	–	–	7,694	–	–	–	–	7,694	–	7,694
Dividend paid to non-controlling shareholders ("NCI Shareholders")	–	–	–	–	–	–	–	–	–	(8,559)	(8,559)
Dividends recognised as distribution *(note 13)*	–	(22,826)	–	–	–	–	–	–	(22,826)	–	(22,826)
Transfer to statutory reserve	–	–	–	–	–	18,436	–	(18,436)	–	–	–
At 31 December 2023	1,830	391,345	(36,685)	27,095	(8,099)	72,438	(746)	723,663	1,170,841	109,121	1,279,962
Profit for the year	–	–	–	–	–	–	–	129,848	129,848	18,252	148,100
Fair value loss on equity instruments at FVTOCI	–	–	–	–	–	–	(569)	–	(569)	–	(569)
Actuarial losses from remeasurement of defined benefit obligations, net of tax	–	–	–	–	–	–	–	(142)	(142)	(95)	(237)
Exchange differences arising on translation of foreign operations	–	–	–	–	4,282	–	–	–	4,282	621	4,903
Total comprehensive income (expense) for the year	–	–	–	–	4,282	–	(569)	129,706	133,419	18,778	152,197
Purchase of shares under RSU Schemes *(note 29(ii))*	–	–	(2,571)	–	–	–	–	–	(2,571)	–	(2,571)
Recognition of equity-settled share-based payments *(note 29)*	–	–	–	9,412	–	–	–	–	9,412	–	9,412
Shares vested under RSU Schemes *(note 29(ii))*	–	–	8,132	(6,656)	–	–	–	(1,476)	–	–	–
Dividend paid to NCI Shareholders	–	–	–	–	–	–	–	–	–	(4,051)	(4,051)
Dividends recognised as distribution *(note 13)*	–	(58,101)	–	–	–	–	–	–	(58,101)	–	(58,101)
Transfer to statutory reserve	–	–	–	–	–	22,700	–	(22,700)	–	–	–
At 31 December 2024	1,830	333,244	(31,124)	29,851	(3,817)	95,138	(1,315)	829,193	1,253,000	123,848	1,376,848

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 statutory 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.

* Less than RMB1,000.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 **RMB'000**	2023 RMB'000
OPERATING ACTIVITIES		
Profit before tax	**190,636**	184,548
Adjustments for:		
Finance costs	**1,288**	1,838
Bank interest income	**(18,092)**	(17,755)
Dividend income	**(1,033)**	–
Depreciation of property and equipment	**5,450**	6,251
Depreciation of right-of-use assets	**25,494**	27,636
Amortisation of other intangible assets	**5,265**	6,688
Loss on disposal of property and equipment	**23**	725
Net imputed interest on consideration receivables	**(381)**	(448)
Impairment losses under ECL model, net of reversal	**1,809**	2,213
Impairment losses recognised in respect of		
– other intangible assets	**3,828**	1,707
– property and equipment	**–**	72
– interests in associates	**6,361**	–
Equity-settled share-based payments	**9,412**	7,694
Share of profit of associates	**(712)**	(2,978)
Gain on disposal of a subsidiary	**–**	(119)
Operating cash flows before movements in working capital	**229,348**	218,072
Increase in trade and other receivables, deposits and prepayments	**(428,601)**	(183,068)
Decrease (increase) in amounts due from related companies	**26**	(13)
Increase in trade and other payables	**331,926**	71,023
(Decrease) increase in contract liabilities	**(9,867)**	16,698
Increase in amount due to a shareholder	**429**	161
(Decrease) increase in amounts due to related companies	**(388)**	789
Decrease (increase) in retirement benefit assets	**49**	(31)
Cash generated from operations	**122,922**	123,631
Income tax paid	**(43,041)**	(41,375)
NET CASH FROM OPERATING ACTIVITIES	**79,881**	82,256

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
INVESTING ACTIVITIES		
Interest received	18,092	18,203
Dividend received from equity instruments at FVTOCI	1,033	–
Dividend received from an associate	867	891
Purchases of property and equipment	(3,392)	(3,331)
Proceeds from disposal of an intangible asset	–	2,400
Placement of restricted bank deposits	(50,595)	(48,422)
Withdrawal of restricted bank deposits	49,847	9,525
Placement of time deposits	(348,644)	(369,703)
Withdrawal of time deposits	402,568	327,791
Repayment from NCI Shareholders	–	11,613
Settlement of consideration receivables from disposal of a subsidiary	800	2,298
Proceeds on disposal of a subsidiary	–	500
Proceeds on disposal of an associate	758	–
Addition of investments in associates	(1,400)	(4,000)
Advance to an associate	(1,920)	(5,000)
Repayment from an associate	1,317	1,503
Development costs paid	(8,585)	(7,791)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	60,746	(63,523)
FINANCING ACTIVITIES		
Interest paid	(1,288)	(1,838)
Dividends paid to NCI Shareholders	(4,051)	(8,559)
Dividends paid	(58,101)	(22,826)
Repayment of lease liabilities	(26,350)	(28,331)
Purchase of shares for RSU Schemes	(2,571)	(148)
NET CASH USED IN FINANCING ACTIVITIES	(92,361)	(61,702)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	48,266	(42,969)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	706,434	744,432
Effect of foreign exchange rate changes	(2,323)	4,971
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	752,377	706,434

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. GENERAL INFORMATION

ManpowerGroup Greater China Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 26 September 2014. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 10 July 2019. The addresses of the Company's registered office and principal place of business in the PRC are PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and 36/F, Xin Mei Union Square, No. 999, Pudong Road (S), Pudong District, Shanghai, PRC, respectively.

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* (the "2020 Amendments") and Amendments to IAS 1 *Non-current Liabilities with Covenants* (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFPS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*

The amendments to IFRS 9 *Financial Instruments* ("IFRS 9") clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7") in respect of investments in equity instruments designated at FVTOCI are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective (Continued)

IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 8"), which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements* ("IAS 1"). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have 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.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

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 year are included in the consolidated statement 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.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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.

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business 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, unless the Group can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

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 these consolidated financial statements 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investments in associates (Continued)

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 *Impairment of Assets* ("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 is not allocated to any asset, including goodwill, that 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.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 *Investments in Associates and Joint Ventures* ("IAS 28") (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

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 consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue with contracts with customers

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.

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.

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue with contracts with customers (Continued)

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.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of certain office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

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 consolidated financial statements, 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 the 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 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 related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "other income".

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Retirement benefit costs

Payments to government sponsored defined contribution pension scheme in the PRC, the MPF 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, including a defined benefit plan in Taiwan, 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. In determining the present value of the Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until

(b) the date when further service by the employee will lead to no material amount of further benefits under the plan other than from further salary increases.

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 statement 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 earnings 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 or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Retirement benefit costs (Continued)

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", as appropriate. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement 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 or 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 Group 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 Group reduces service cost by attributing contributions to the employees' periods of service in accordance with IAS 19 paragraph 70.

For LSP obligation, the Group accounts for the employer MPF contribution expected to be offset as a deemed employee contribution towards the LSP obligation in terms of IAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

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 and annual leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares/Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options or restricted share units ("RSUs") are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained profits.

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax 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 the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 and at the time of the transaction does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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 the 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 the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset relate to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property and equipment

Property and equipment are tangible assets that are held for use in the supply of services or for administrative purposes. Property and equipment are stated in the consolidated statement 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

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

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. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

The estimated useful life and amortisation method are reviewed at the end of the 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 property and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets 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). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

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. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. 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 or the group of cash-generating units. 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 or the group of cash-generating units. 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 or a group of cash-generating units) 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 or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Bank balances and cash

Bank balances and cash presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term deposits (generally with original maturity of three months or less). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 24.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets

Classification and subsequent measurement of financial assets

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 the financial assets; 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 initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(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 other comprehensive income and accumulated in the investment revaluation reserve; 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.

(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 subject to impairment assessment under IFRS 9
The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, amounts due from related companies, restricted bank deposits, time deposits with original maturity over three months and bank balances) which are subject to impairment assessment under IFRS 9. 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, in which case 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(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; and

- 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(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 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 and 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. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience adjusted for forward-looking information that is available without undue cost or effort.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

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.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- 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.

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 measured at amortised cost, 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, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

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 and amounts due to a shareholder and related companies are subsequently measured at amortised cost, using the effective interest method.

Derecognition 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.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, 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 the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 (or group of cash-generating units) 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 (or group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows, in particular cash flows from revenue, are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss/further impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to change due to ongoing uncertain macroeconomic and geopolitical environment, which includes the persistent effects of climate change, higher interest rates and inflation, energy security concerns, cyberattacks, elections in major economies, and international conflicts and tensions.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of goodwill and intangible assets with indefinite useful lives (Continued)

As at 31 December 2024, the carrying amount of goodwill is approximately RMB57,994,000 (2023: RMB56,809,000) (net of accumulated impairment loss of approximately RMB14,943,000 (2023: RMB14,624,000)) while the carrying amount of trademarks is approximately RMB33,505,000 (2023: RMB32,789,000). Details of the recoverable amount calculation are disclosed in note 17.

Provision of ECL for trade receivables

Trade receivables that are credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on internal credit ratings as groupings of various debtors taking into consideration the Group's historical default rates and 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.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 32 and 22, respectively.

5. 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 operating and reportable segments under IFRS 8 are as follows:

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

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

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

2. Other HR Services – the Group provides HR services to customers who need assistance in outplacement, leadership development, career management, talent assessment, and training and development services.

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

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

Year ended 31 December 2024

	Workforce Solutions RMB'000	Other HR Services RMB'000	Total RMB'000
Segment revenue	6,248,688	21,850	6,270,538
Segment profit	597,975	15,653	613,628
Unallocated:			
Selling expenses			(339,431)
Administrative expenses			(96,603)
Other income			20,818
Impairment losses under ECL model, net of reversal			(1,809)
Other gains and losses			(5,391)
Finance costs			(1,288)
Share of profit of associates			712
Profit before tax			190,636

Year ended 31 December 2023

	Workforce Solutions RMB'000	Other HR Services RMB'000	Total RMB'000
Segment revenue	5,280,649	22,943	5,303,592
Segment profit	607,664	14,915	622,579
Unallocated:			
Selling expenses			(358,884)
Administrative expenses			(101,887)
Other income			19,194
Impairment losses under ECL model, net of reversal			(2,213)
Other gains and losses			4,619
Finance costs			(1,838)
Share of profit of associates			2,978
Profit before tax			184,548

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the gross profit earned by each segment without allocation of selling expenses, administrative expenses, other income, impairment losses under ECL model, net of reversal, other gains or losses, finance costs and share of profit of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

There were no inter-segment sales for both years.

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.

Geographical information

Information about the Group's revenue 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*	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
PRC	**4,466,730**	3,578,853	**106,512**	113,777
Hong Kong and Macau	**883,470**	659,048	**95,836**	96,848
Taiwan	**920,338**	1,065,691	**2,748**	4,708
	6,270,538	5,303,592	**205,096**	215,333

* Non-current assets excluded those relating to deferred tax assets, retirement benefit assets and financial instruments.

Information about major customers

Revenue from the customer of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2024	2023
	RMB'000	RMB'000
Customer A[1]	**2,058,766**	1,559,980

[1] Revenue from Workforce Solutions segment

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue

Year ended 31 December 2024

	Workforce Solutions RMB'000	Other HR Services RMB'000	Total RMB'000
Types of service			
Flexible staffing	6,132,952	–	6,132,952
Recruitment solutions	115,736	–	115,736
Others	–	21,850	21,850
	6,248,688	21,850	6,270,538
Timing of revenue recognition			
A point in time	110,190	–	110,190
Over time	6,138,498	21,850	6,160,348
	6,248,688	21,850	6,270,538

Year ended 31 December 2023

	Workforce Solutions RMB'000	Other HR Services RMB'000	Total RMB'000
Types of service			
Flexible staffing	5,122,821	–	5,122,821
Recruitment solutions	157,828	–	157,828
Others	–	22,943	22,943
	5,280,649	22,943	5,303,592
Timing of revenue recognition			
A point in time	153,278	–	153,278
Over time	5,127,371	22,943	5,150,314
	5,280,649	22,943	5,303,592

5. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

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.

Recruitment solutions services include headhunting services and RPO management services:

- 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.

- The Group provides RPO management services under the brand of "ManpowerGroup Solutions" in the Greater China Region. 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 and recruitment solutions services are generally within one year. As permitted under IFRS 15 *Revenue from Contracts with Customers*, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. REVENUE AND SEGMENT INFORMATION (Continued)

Information about customer types

The Group's customers mainly consist (i) multinational corporations and local enterprises and (ii) government bodies in Greater China Region. Revenue analysis by customer type is as follows:

	2024 RMB'000	2023 RMB'000
Multinational corporations and local enterprises	5,827,866	4,940,137
Government bodies	442,672	363,455
	6,270,538	5,303,592

6. OTHER INCOME

	2024 RMB'000	2023 RMB'000
Interest income	18,092	17,755
Dividend income from equity instruments at FVTOCI	1,033	–
Government grants *(Note)*	700	603
Others	993	836
	20,818	19,194

Note: Government grants represent 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 years ended 31 December 2024 and 2023.

7. OTHER GAINS AND LOSSES

	2024 RMB'000	2023 RMB'000
Impairment losses recognised in respect of		
– property and equipment *(note 15)*	–	(72)
– other intangible assets *(note 18)*	(3,828)	(1,707)
– interests in associates *(note 19)*	(6,361)	–
Net exchange gains	4,798	7,234
Others	–	(836)
	(5,391)	4,619

8. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	1,288	1,838

9. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Current tax:		
– PRC Enterprise Income Tax ("EIT")	15,121	15,960
– Hong Kong Profits Tax	8,071	7,250
– Macau Complementary Tax	196	164
– Taiwan Income Tax	12,271	9,993
	35,659	33,367
(Over)underprovision in prior years:		
– PRC EIT	(632)	(498)
– Hong Kong Profits Tax	(427)	–
– Taiwan Income Tax	1	409
	(1,058)	(89)
Deferred tax *(note 21)*	7,935	4,678
	42,536	37,956

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

Certain PRC subsidiaries of the Group were qualified as Small Low-Profit Enterprise, under the relevant tax regulations in the PRC, which were entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime for the years ended 31 December 2023 and 2024. Under the two-tiered profits tax rates regime, the first RMB1,000,000 of the taxable income of qualified entities are taxed at 5% (2023: 5%), and the taxable income above RMB1,000,000 and less than RMB3,000,000 are taxed at 5% (2023: 5%).

In addition, a subsidiary of the Group in the PRC has been accredited as High and New Technology Enterprise by the Science and Technology Commission of Shanghai Municipality and relevant authorities on 14 December 2022 for a term of three years from 2022 to 2025, and it was subject to a preferential corporate income tax rate of 15% for the year ended 31 December 2024 (2023: 15%). The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authorities in the PRC for every three years.

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

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2,000,000.

9. INCOME TAX EXPENSE (Continued)

Macau Complementary Tax is calculated at progressive rate ranging from 3% to 9% on the estimated assessable profit below or equal to Macau Pataca ("MOP") 300,000 and at 12% on the estimated assessable profits above MOP300,000 for the years ended 31 December 2024 and 2023. In addition, a special complementary tax incentive was provided to the effect that the tax-free income threshold was increased from MOP32,000 to MOP600,000 with the estimated assessable profit above MOP600,000 being taxed at 12% for the years ended 31 December 2024 and 2023.

Taiwan Income Tax is calculated at 20% of the estimated assessable profit when such amount is above New Taiwan dollar 120,000 for the years ended 31 December 2024 and 2023. Withholding tax of 21% is imposed on dividends declared in respect of profits earned by Taiwan subsidiaries that are received by non-Taiwan resident entities. Under the relevant regulations in Taiwan, a corporate surtax of 5% is imposed on earnings of subsidiaries in Taiwan not distributed in the following year.

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 British Virgin Islands ("BVI") are not subject to income tax or capital gain tax under the law of BVI.

The tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 **RMB'000**	2023 RMB'000
Profit before tax	**190,636**	184,548
Tax at PRC EIT rate of 25%	**47,659**	46,137
Tax effect of expenses not deductible for tax purpose	**3,499**	1,278
Tax effect of income not taxable for tax purpose	**(1,903)**	(1,570)
Tax effect of share of profit of associates	**(178)**	(744)
Tax effect of tax loss not recognised	**80**	–
Tax effect of different tax rates of group entities operating in other jurisdictions	**(7,630)**	(7,687)
Income tax at concessionary tax	**(8,337)**	(6,723)
Withholding tax	**10,373**	7,052
Overprovision in respect of prior years	**(1,058)**	(89)
Others	**31**	302
Income tax expense for the year	**42,536**	37,956

At 31 December 2024, the Group has unused tax losses of approximately RMB33,894,000 (2023: RMB32,732,000) available for offset against future profits. Deferred tax assets have been recognised in respect of approximately RMB33,544,000 (2023: RMB32,732,000) of such losses as at 31 December 2024. The tax losses will be expired at various time within a period of five years from the year of origination. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams.

10. PROFIT FOR THE YEAR

	2024 RMB'000	2023 RMB'000
Profit for the year has been arrived at after charging:		
Directors' emoluments *(note 11)*		
Fees	789	648
Salaries, allowances and other benefits	3,900	3,379
Retirement benefit scheme contributions	116	106
Performance related bonus	1,667	1,661
Equity-settled share-based payments	3,683	2,554
	10,155	8,348
Other staff costs		
Salaries, allowances and other benefits	4,947,506	4,176,166
Retirement benefit scheme contributions	907,013	711,206
Equity-settled share-based payments	5,729	5,140
	5,860,248	4,892,512
Total staff costs	5,870,403	4,900,860
Auditor's remuneration	2,923	2,885
Depreciation of property and equipment	5,450	6,251
Depreciation of right-of-use assets	25,494	27,636
Amortisation of other intangible assets	5,265	6,688
Loss on disposal of property and equipment	23	725
Research and development costs recognised as an expense	4,442	5,668

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of the emoluments paid or payable during the year for their services rendered to the entities comprising the Group are as follows:

Year ended 31 December 2024

	Fees RMB'000	Salaries, allowances and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Performance related bonus RMB'000 *(Note viii)*	Equity-settled share-based payments RMB'000	Total RMB'000
Executive director (Note i):						
CUI Zhihui	–	3,900	116	1,667	2,785	8,468
Non-executive directors (Note ii):						
Colin Patrick Alan JONES *(Note iv)*	–	–	–	–	68	68
John Thomas MCGINNIS	–	–	–	–	166	166
ZHANG Qi *(Note v)*	–	–	–	–	–	–
ZHANG Yinghao	–	–	–	–	166	166
ZHAI Feng *(Note vi)*	–	–	–	–	–	–
Independent non-executive directors (Note vii):						
Thomas YEOH Eng Leong	263	–	–	–	166	429
WONG Man Lai Stevie	263	–	–	–	166	429
Victor HUANG	263	–	–	–	166	429
	789	3,900	116	1,667	3,683	10,155

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Year ended 31 December 2023

	Fees RMB'000	Salaries, allowances and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Performance related bonus RMB'000 *(Note viii)*	Equity-settled share-based payments RMB'000	Total RMB'000
Executive director (Note i):						
CUI Zhihui	–	3,379	106	1,661	1,834	6,980
Non-executive directors (Note ii):						
Darryl E GREEN *(Note iii)*	–	–	–	–	–	–
Colin Patrick Alan JONES *(Note iv)*	–	–	–	–	–	–
John Thomas MCGINNIS	–	–	–	–	120	120
ZHANG Yinghao	–	–	–	–	120	120
ZHAI Feng *(Note vi)*	–	–	–	–	120	120
Independent non-executive directors (Note vii):						
Thomas YEOH Eng Leong	216	–	–	–	120	336
WONG Man Lai Stevie	216	–	–	–	120	336
Victor HUANG	216	–	–	–	120	336
	648	3,379	106	1,661	2,554	8,348

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 of the Company.

(ii) The non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries, if applicable.

(iii) Darryl E GREEN resigned as a non-executive director of the Company on 29 June 2023.

(iv) Colin Patrick Alan JONES was appointed as a non-executive director of the Company on 29 June 2023.

(v) ZHANG Qi was appointed as a non-executive director of the Company on 28 August 2024.

(vi) ZHAI Feng resigned as a non-executive director of the Company on 28 August 2024.

(vii) The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(viii) The performance related bonus are determined based on the performance of the director on a discretionary basis.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group during the year include one director (2023: one director), details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining four (2023: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and other benefits	6,950	6,759
Retirement benefit scheme contributions	474	384
Performance related bonus	5,205	5,785
Equity-settled share-based payments	2,017	1,501
	14,646	14,429

The number of the highest paid employees who are not the directors of the Company whose emolument fell within the following bands is as follows:

	2024 No. of employees	2023 No. of employees
HK$1,500,001 to HK$2,000,000	1	–
HK$2,000,001 to HK$2,500,000	2	3
HK$8,000,001 to HK$8,500,000	1	1
	4	4

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 during both years. Neither of the chief-executive officer, nor directors of the Company nor the five highest paid individual waived any emoluments during both years.

During the year, certain non-director and non-chief executive highest paid employees were granted share options and RSUs, in respect of their services to the Group under the share option scheme and RSU Schemes of the Company. Details of the share option scheme and RSU Schemes are set out in note 29 to the Group's consolidated financial statements.

13. DIVIDENDS

During the year ended 31 December 2023, a final dividend of HK$0.12 per ordinary share in respect of the year ended 31 December 2022, in an aggregate amount of approximately HK$24.9 million (equivalent to approximately RMB22.8 million), was declared and paid in July 2023.

During the year ended 31 December 2024, a final dividend of HK$0.31 per ordinary share in respect of the year ended 31 December 2023, in an aggregate amount of approximately HK$64.3 million (equivalent to approximately RMB58.1 million), was declared and paid in July 2024.

Subsequent to the end of the reporting period, a final dividend of HK$0.31 per ordinary share in respect of the year ended 31 December 2024, in an aggregate amount of approximately HK$64.3 million (equivalent to approximately RMB60.2 million), has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming general meeting.

14. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

	2024 RMB'000	2023 RMB'000
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**129,848**	126,476

Number of shares

	2024	2023
Weighted average number of ordinary shares for the purpose of basic earnings per share	**201,955,368**	202,390,509
Effect of dilutive potential ordinary shares:		
Unvested RSUs	**772,006**	551,949
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**202,727,374**	202,942,458

During the years ended 31 December 2024 and 2023, the weighted average number of ordinary shares for the calculation of basic and diluted earnings per share have been adjusted for the effect of certain shares held by the trustee pursuant to the RSU Schemes.

The computation of diluted earnings per share for the years ended 31 December 2024 and 2023 did not assume the exercise of share options granted by the Company because the exercise prices of those options were higher than the average market prices for shares of the Company for the years ended 31 December 2024 and 2023.

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15. PROPERTY AND EQUIPMENT

	Leasehold improvements RMB'000	Buildings RMB'000	Furniture and fixtures RMB'000	Computer equipment RMB'000	Total RMB'000
COST					
At 1 January 2023	21,653	1,835	5,098	20,353	48,939
Additions	816	–	162	2,353	3,331
Disposals	(2,232)	–	(1,170)	(4,609)	(8,011)
Exchange adjustments	(10)	–	23	87	100
At 31 December 2023	20,227	1,835	4,113	18,184	44,359
Additions	2,426	–	214	752	3,392
Disposals	(2,693)	–	(44)	(636)	(3,373)
Exchange adjustments	(8)	–	11	(85)	(82)
At 31 December 2024	19,952	1,835	4,294	18,215	44,296
ACCUMULATED DEPRECIATION					
At 1 January 2023	14,968	1,197	3,249	14,513	33,927
Provided for the year	2,944	87	636	2,584	6,251
Eliminated on disposals	(1,740)	–	(963)	(4,583)	(7,286)
Impairment loss recognised in profit or loss	62	–	8	2	72
Exchange adjustments	(19)	–	14	74	69
At 31 December 2023	16,215	1,284	2,944	12,590	33,033
Provided for the year	2,893	87	336	2,134	5,450
Eliminated on disposals	(2,693)	–	(36)	(621)	(3,350)
Exchange adjustments	(1)	–	9	(52)	(44)
At 31 December 2024	16,414	1,371	3,253	14,051	35,089
CARRYING VALUES					
At 31 December 2024	3,538	464	1,041	4,164	9,207
At 31 December 2023	4,012	551	1,169	5,594	11,326

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%
Computer equipment	20% – $33^1/_3$%

16. RIGHT-OF-USE ASSETS

	Leasehold land and buildings RMB'000
As at 31 December 2024	
Carrying amount	36,497
As at 31 December 2023	
Carrying amount	40,134
For the year ended 31 December 2024	
Depreciation charge	25,494
For the year ended 31 December 2023	
Depreciation charge	27,636

	2024 RMB'000	2023 RMB'000
Expenses relating to short-term leases	**674**	1,067
Total cash outflow for leases	**28,312**	31,236
Additions to right-of-use assets	**21,782**	13,930

For the year ended 31 December 2024, the Group leases various office premises for its operations. Lease contracts are entered into for fixed term of one to five years (2023: two months to five years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for office premises. As at 31 December 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of approximately RMB35,377,000 (2023: RMB39,847,000) are recognised with related right-of-use assets of approximately RMB36,497,000 (2023: RMB40,134,000) as at 31 December 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16. RIGHT-OF-USE ASSETS (Continued)

Leases committed

As at 31 December 2023 and 2024, the Group did not enter into any new leases that are not yet commenced.

Details of the lease maturity analysis of lease liabilities are set out in note 27.

17. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS

The movement of the goodwill of the Group is as follows:

	2024	2023
	RMB'000	RMB'000
COST		
At 1 January	**71,433**	70,711
Disposal of a subsidiary	**–**	(257)
Exchange adjustments	**1,504**	979
At 31 December	**72,937**	71,433
IMPAIRMENT		
At 1 January	**14,624**	14,673
Eliminated on disposal of a subsidiary	**–**	(257)
Exchange adjustments	**319**	208
At 31 December	**14,943**	14,624
CARRYING VALUES		
At 31 December	**57,994**	56,809

17. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

For the purposes of impairment testing, goodwill and trademarks with indefinite useful lives have been allocated to three (2023: three) individual cash-generating units ("CGUs"), comprising three (2023: 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:

	2024 RMB'000	2023 RMB'000
Goodwill:		
– Manpower Services (Hong Kong) Limited ("Manpower Services HK")	31,452	30,779
– 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
– Event Elite Production and Promotion Limited ("Event Elite")	23,932	23,420
Trademarks:		
– Event Elite	33,505	32,789
	91,499	89,598

* *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 including discount rates and revenue growth rates. Their value in use calculations use cash flow projections based on financial budgets approved by management covering a 5-year period (2023: 5-year). Cash flow projections beyond the 5-year period are extrapolated using a steady 3% growth rate (2023: 3%). 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 year ended 31 December 2024, the pre-tax rates used to discount the forecast cash flows from Manpower Services HK, Xi'an Fesco and Event Elite are 17.18% (2023: 17.15%), 16.7% (2023: 16%) and 21.5% (2023: 21.0%), respectively.

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 2024 and 2023, the management of the Group determines that there is no impairment on Manpower Services HK, Event Elite and Xi'an Fesco.

18. OTHER INTANGIBLE ASSETS

	Trademarks RMB'000	Customers relationships RMB'000	Softwares RMB'000	Total RMB'000
COST				
At 1 January 2023	32,323	13,721	51,919	97,963
Additions	–	–	7,791	7,791
Disposals	–	–	(4,232)	(4,232)
Exchange adjustments	466	197	–	663
At 31 December 2023	32,789	13,918	55,478	102,185
Additions	–	–	8,585	8,585
Exchange adjustments	716	304	–	1,020
At 31 December 2024	33,505	14,222	64,063	111,790
AMORTISATION				
At 1 January 2023	–	13,721	8,677	22,398
Charge for the year	–	–	6,688	6,688
Impairment loss recognised in the year *(note 7)*	–	–	1,707	1,707
Exchange adjustments	–	197	–	197
At 31 December 2023	–	13,918	17,072	30,990
Charge for the year	–	–	5,265	5,265
Impairment loss recognised in the year *(note 7)*	–	–	3,828	3,828
Exchange adjustments	–	304	–	304
At 31 December 2024	–	14,222	26,165	40,387
CARRYING VALUES				
At 31 December 2024	33,505	–	37,898	71,403
At 31 December 2023	32,789	–	38,406	71,195

The following useful lives are used in the calculation of amortisation:

Customers relationships	5 years
Softwares	10 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 17.

19. INTERESTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Cost of investments in associates	**27,551**	27,851
Impairment loss recognised	**(6,361)**	–
Share of post-acquisition profits and other comprehensive income, net of dividends received	**8,805**	8,018
	29,995	35,869

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of company	Country of incorporation/ operation	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		2024	2023	**2024**	2023	
上海金鑫企業管理有限公司 Shanghai Jinzhan Enterprise Management Co., Ltd.*	PRC	**34%**	34%	**34%**	34%	Human resource services
北京萬智國際人力資源服務有限公司 Beijing Wanzhi International Human Resources Service Co., Ltd.*	PRC	**35%**	35%	**35%**	35%	Human resource services
匯智盛華（瀋陽）人力資源服務有限公司 Huizhishenghua (Shenyang) Human Resources Services Co., Ltd.*	PRC	**20%**	20%	**20%**	20%	Human resource services
南京盛華領航企業管理諮詢有限公司 Nanjing Shenghua Linghang Enterprise Management Consultancy Co., Ltd. *(Note i)*	PRC	**N/A**	34%	**N/A**	34%	Human resource services

19. INTERESTS IN ASSOCIATES (Continued)

Name of company	Country of incorporation/ operation	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		2024	2023	**2024**	2023	
中瑞方勝人力資源科技(北京)有限公司 ZhongRui Fangsheng Human Resources Technology (Beijing) Co., Ltd. ("ZhongRui Fangsheng") *(Note ii)*	PRC	**45%**	45%	**45%**	45%	Human resource services
盛邁寶(上海)科技有限公司 Shengmaibao (Shanghai) Technology Co., Ltd.* ("Shengmaibao") *(Note iii)*	PRC	**34%**	34%	**34%**	34%	Human resources services
深圳中邁信息技術有限公司 Shenzhen Zhongmai Information Technology Co., Ltd.* ("Zhongmai")#	PRC	**34%**	34%	**34%**	34%	Human resources services
上海萬寶弘裕人力資源有限公司 Shanghai Wanbaohongyu Human Resources Co., Ltd.* ("Wanbaohongyu") *(Note iv)*	PRC	**20%**	20%	**20%**	20%	Human resources services

* *For identification purposes only*

\# Zhongmai is a wholly-owned subsidiary of Shengmaibao.

19. INTERESTS IN ASSOCIATES (Continued)

Notes:

(i) During the year ended 31 December 2024, 南京盛華領航企業管理諮詢有限公司, an associate of the Group, was deregistered.

(ii) The Group performed impairment assessment on the interest in ZhongRui Fangsheng, an associate of the Group, for the year ended 31 December 2024. Determining whether impairment loss should be recognised requires an estimation of the recoverable amount of the relevant associate which is the higher of value in use and fair value less costs of disposal. The recoverable amount of the Group's interest in ZhongRui Fangsheng has been determined based on a value in use calculation. The recoverable amount is based on certain key assumptions including discount rate and the estimated cash flows. The value in use calculation uses cash flow projections based on financial forecasts approved by management covering a 5-year period with a pretax discount rate of 14.56%. Cash flow projections beyond the 5-year period are extrapolated using a steady 2% growth rate. This growth rate does not exceed the average long-term growth rate for the relevant industry in which the business of ZhongRui Fangsheng operates. Cash flow projections during the forecast period for ZhongRui Fangsheng are also based on management's estimation of cash inflows/outflows including gross revenue, gross margin, operating expenses and working capital requirements during the forecast period. The assumptions and estimations are based on ZhongRui Fangsheng's past performance and management's expectations of the market development. Due to the unfavourable market conditions, ZhongRui Fangsheng faced a lower than expected demand for flexible staffing services during the year ended 31 December 2024, its financial performance is less satisfactory than expected. As a result, an impairment loss of approximately RMB3,552,000 (2023: Nil) has been recognised in respect of the Group's interest in ZhongRui Fangsheng during the year ended 31 December 2024. The amount of goodwill arising from the acquisition was approximately RMB5.1 million (2023: RMB8.7 million) which was included in the carrying amount of the Group's interest in that associate.

(iii) The Group performed impairment assessment on the interest in Shengmaibao, an associate of the Group, for the year ended 31 December 2024. Determining whether impairment loss should be recognised requires an estimation of the recoverable amount of the relevant associate which is the higher of value in use and fair value less costs of disposal. The recoverable amount of the Group's interest in Shengmaibao has been determined based on a value in use calculation. The recoverable amount is based on certain key assumptions including discount rate and the estimated cash flows. The value in use calculation uses cash flow projections based on financial forecasts approved by management covering a 5-year period with a pretax discount rate of 13.90%. Cash flow projections beyond the 5-year period are extrapolated using a steady 2% growth rate. This growth rate does not exceed the average long-term growth rate for the relevant industry in which the business of Shengmaibao operates. Cash flow projections during the forecast period for Shengmaibao are also based on management's estimation of cash inflows/outflows including gross revenue, gross margin, operating expenses and working capital requirements during the forecast period. The assumptions and estimations are based on Shengmaibao's past performance and management's expectations of the market development. Due to the unfavourable market conditions, Shengmaibao faced a lower than expected demand for flexible staffing services during the year ended 31 December 2024, its financial performance is less satisfactory than expected. As a result, an impairment loss of approximately RMB2,809,000 (2023: Nil) has been recognised in respect of the Group's interest in Shengmaibao during the year ended 31 December 2024.

(iv) During the year ended 31 December 2023, the Group entered into an agreement with an independent third party for investment in Wanbaohongyu for a consideration of RMB600,000 and completed the transaction by June 2023. During the year ended 31 December 2024, the Group and the other shareholder of Wanbaohongyu have increased their investments in Wanbaohongyu proportionally, and accordingly the Group has further injected RMB1,400,000. The Group holds 20% of the issued share capital of Wanbaohongyu and has the right to appoint one out of three directors on the board of Wanbaohongyu. The directors of the Group consider that the Group can exercise significant influence over Wanbaohongyu and it is therefore classified as an associate of the Group.

All of these associates are accounted for using the equity method in the consolidated financial statements.

Aggregate information of associates that are not individually material

	2024 **RMB'000**	2023 RMB'000
The Group's share of profits and total comprehensive income	**712**	2,978

20. EQUITY INSTRUMENTS AT FVTOCI

The amount represents unlisted equity investments in the PRC.

In December 2018, the Group entered into an agreement with a former 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 operation 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 for such equity investments as equity instruments at FVTOCI at 31 December 2024 and 2023.

These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

During the year ended 31 December 2024, fair value loss of RMB569,000 (2023: RMB746,000) was recognised in other comprehensive income.

* *For identification purposes only*

21. DEFERRED TAX ASSETS/LIABILITIES

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

	ECL provision RMB'000	Accrued payroll expenses RMB'000	Withholding tax on undistributed profits RMB'000	Other intangible assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	1,213	2,192	(9,621)	(14,890)	5,704	(15,402)
Credit (charge) to profit or loss	180	(124)	(7,052)	293	2,025	(4,678)
Release upon distribution of profits from a subsidiary	–	–	9,688	–	–	9,688
Exchange adjustments	–	33	(69)	156	(256)	(136)
At 31 December 2023	**1,393**	**2,101**	**(7,054)**	**(14,441)**	**7,473**	**(10,528)**
Credit (charge) to profit or loss	**83**	**44**	**(8,176)**	**(14)**	**128**	**(7,935)**
Release upon distribution of profits from a subsidiary	**–**	**–**	**7,206**	**–**	**–**	**7,206**
Exchange adjustments	**(2)**	**(73)**	**(152)**	**(118)**	**30**	**(315)**
At 31 December 2024	**1,474**	**2,072**	**(8,176)**	**(14,573)**	**7,631**	**(11,572)**

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 onwards and Taiwan subsidiaries, that are received by non-local resident entities. During the year ended 31 December 2024, deferred tax liabilities of RMB8,176,000 (2023: RMB7,054,000) has been provided for in respect of the temporary differences arising from the undistributed profits of Taiwan subsidiaries. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to undistributed profits of the PRC subsidiaries in aggregate amounting to RMB410.5 million (2023: RMB342.4 million) as at 31 December 2024, 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

	2024 RMB'000	2023 RMB'000
Trade receivables	1,257,843	863,853
Less: allowance for credit losses	(9,082)	(8,031)
Total trade receivables	1,248,761	855,822
Deposits, prepayments and other receivables	85,076	49,500
Consideration receivables *(Note)*	7,749	8,168
Total trade and other receivables, deposits and prepayments	1,341,586	913,490
Analysed as:		
– Non-current	29,147	25,474
– Current	1,312,439	888,016
	1,341,586	913,490

Note: The outstanding consideration receivables from the disposal of Guangzhou Reach of RMB8,391,000 at 31 December 2024 (2023: RMB9,191,000) will be settled by instalments by December 2027 and were, accordingly, to be adjusted for the effect of the time value of money using an effective interest rate of 4.9% per annum. Such consideration receivables are recorded on the consolidated statement of financial position of the Group as follows:

	2024 RMB'000	2023 RMB'000
Other receivables:		
– Non-current	4,096	5,977
– Current	3,653	2,191
	7,749	8,168

As at 31 December 2024, included in trade receivables of approximately RMB28,000 (2023: RMB1,243,000) are traded-related amounts due from associates.

22. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

As at 1 January 2024, trade receivables from contracts with customers, net of allowance for credit losses, amounted to approximately RMB855,822,000.

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

	2024 RMB'000	2023 RMB'000
0–30 days	1,147,382	763,713
31–60 days	38,061	38,727
61–90 days	11,513	17,362
Over 90 days	51,805	36,020
	1,248,761	855,822

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB136,154,000 (2023: RMB94,896,000) which are past due as at the reporting date. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set in note 32.

23. AMOUNT(S) DUE FROM (TO) A SHAREHOLDER/RELATED COMPANIES

The amount due from a related company (which is an associate of the Company) of approximately RMB4,100,000 (2023: RMB3,497,000) at 31 December 2024 is non-trade related, unsecured, carries interest at 6% (2023: 6%) per annum and repayable on demand.

The remaining amounts due from related companies (which are subsidiaries of a shareholder of the Company) of approximately RMB283,000 (2023: RMB309,000) at 31 December 2024 are trade related, unsecured, non-interest bearing and repayable on demand.

23. AMOUNT(S) DUE FROM (TO) A SHAREHOLDER/RELATED COMPANIES (Continued)

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

	Amounts due from related companies	
	2024	2023
	RMB'000	RMB'000
0–30 days	**84**	105
31–60 days	**45**	48
61–90 days	**68**	77
Over 90 days	**86**	79
	283	309

Details of impairment assessment of amounts due from related companies are set out in note 32.

The amount due to a shareholder of approximately RMB8,160,000 (2023: RMB7,986,000) at 31 December 2024 are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The remaining amount due to a shareholder of approximately RMB2,949,000 (2023: RMB2,868,000) and the amounts due to related companies of approximately RMB911,000 (2023: RMB1,299,000) at 31 December 2024 are trade in nature, unsecured, non-interest bearing and repayable on demand.

The following is an ageing analysis of amounts due to a shareholder and related companies (trade related) at the end of the reporting period, presented based on the invoice date:

	Amount due to a shareholder		Amounts due to related companies	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
0–30 days	**1,095**	1,037	**669**	1,047
31–60 days	**950**	828	**242**	–
61–90 days	**710**	611	**–**	96
Over 90 days	**194**	392	**–**	156
	2,949	2,868	**911**	1,299

24. RESTRICTED BANK DEPOSITS/TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS/BANK BALANCES AND CASH

Restricted bank deposits represent bank deposits which are restricted for surety bonds issued to the Group by banks (see note 33) for service contracts as requested by customers. As at 31 December 2024, the restricted bank deposits carried interest ranging from 0.5% to 1.6% (2023: 0.5% to 1.4%) per annum. The restricted bank deposits amounted to approximately RMB500,000, RMB223,000 and RMB50,095,000 will be released in December 2025, October 2026 and January 2027, respectively.

Time deposits with original maturity over three months of approximately RMB177,671,000 (2023: RMB228,705,000) represent fixed deposits with maturity more than three months from the date of acquisition which carried interest at prevailing market rate of 2.2% (2023: 3.04%) per annum as at 31 December 2024.

As at 31 December 2024, bank balances carried interest at prevailing market rates of 0.005% to 3.7% (2023: 0.005% to 3.40%) per annum.

Details of impairment assessment are set out in note 32.

25. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	9,441	12,745
Accrued payroll and other expenses	971,905	655,121
Other tax payables	52,946	28,374
	1,034,292	696,240

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

	2024 RMB'000	2023 RMB'000
0–30 days	8,757	12,601
31–60 days	9	–
61–90 days	430	144
Over 90 days	245	–
	9,441	12,745

As at 31 December 2024, included in trade and other payables of approximately RMB1,237,000 (2023: RMB2,473,000) is trade-related amount due to an associate and RMB100,000 (2023: RMB100,000) is non-trade related amount due to an associate.

26. 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 period were recognised as revenue in subsequent year.

At 1 January 2024, contract liabilities amounted to approximately RMB62,747,000.

27. LEASE LIABILITIES

	2024 RMB'000	2023 RMB'000
Lease liabilities payable:		
Within one year	15,772	25,280
Within a period of more than one year but not more than two years	12,443	11,614
Within a period of more than two years but not more than five years	7,162	2,953
	35,377	39,847
Less: Amount due for settlement with 12 months shown under current liabilities	(15,772)	(25,280)
Amount due for settlement after 12 months shown under non-current liabilities	19,605	14,567

Rental deposits were approximately RMB8.2 million (2023: RMB8.2 million) as of 31 December 2024. During the year ended 31 December 2024, approximately RMB1.6 million (2023: RMB0.5 million) was paid for lease liabilities.

The weighted average incremental borrowing rates applied to lease liabilities range from 3.35% to 5.38% (2023: 3.37% to 4.75%).

28. SHARE CAPITAL

	Par value	Number of shares	Amount HK$	Shown in the consolidated financial statements RMB'000
Ordinary shares				
Authorised:				
At 31 December 2023, 1 January 2024 and 31 December 2024	HK$0.01	1,520,000,000	15,200,000	
Issued and fully paid:				
At 31 December 2023, 1 January 2024 and 31 December 2024	HK$0.01	207,505,000	2,075,050	1,830

29. SHARE-BASED PAYMENT TRANSACTIONS

(i) Equity-settled share option scheme of the Company

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 5 June 2019 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 5 June 2029, subjected to earlier termination by the Company in general meeting or by the board of directors. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2024, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 5,710,500 (2023: 6,824,375), representing 2.8% (2023: 3.3%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue immediately upon completion of the global offering of the shares of the Company, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period up to date of offer is not permitted to exceed an aggregate 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of an aggregate 0.1% of the Company's share in issue in the 12-month period up to and including the date of offer and with an aggregate value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

The period during which an option may be exercised will be determined by the board of directors in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of offer, (ii) the average closing price of the shares for the five business days immediately preceding the date of offer; and (iii) the nominal value of the Company's share.

29. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(i) Equity-settled share option scheme of the Company (Continued)

On 20 September 2019, the Company granted 3,862,000 share options at exercise price of HK$10.94 per share option ("2019 Share Options"), which are accepted by the grantees, to subscribe for an aggregate of 3,862,000 shares under the Scheme. On 9 April 2021, the Company modified the vesting conditions of the 2019 Share Options. After the modification, the 2019 Share Options shall be vested on 20 September 2022 conditionally upon fulfillment of the performance targets based on the growth rate of the Group's audited revenue or adjusted net profit. The incremental fair value will be expensed over the remaining vesting periods.

On 8 April 2020, the Company granted 3,967,000 share options at exercise price of HK$8.76 per share option ("2020 Share Options"), which are accepted by the grantees, to subscribe for an aggregate of 3,967,000 shares under the Scheme. The 2020 Share Options shall be vested on 8 April 2023 conditionally upon fulfillment of the performance targets based on the growth rate of the Company's audited net profit. On 9 April 2021, the Company modified certain terms of the 2020 Share Options. After the modification, 50% of the 2020 Share Options and 50% of the 2020 Share Options shall be vested on 7 April 2022 and 7 April 2023, respectively, conditionally upon fulfillment of the performance targets based on the growth rate of the Group's audited revenue or adjusted net profit. The incremental fair value will be expensed over the remaining vesting periods.

On 9 April 2021, the Company granted 3,858,000 share options at exercise price of HK$10.00 per share option ("2021 Share Options"), which are accepted by the grantees, to subscribe for an aggregate of 3,858,000 shares under the Scheme. The 2021 Share Options shall be vested in two tranches, among which, 1,929,000 share options (the "Tranche 1 Share Options") granted shall be vested on 8 April 2022 and another 1,929,000 share options (the "Tranche 2 Share Options") granted shall be vested on 8 April 2023, respectively, conditionally upon fulfillment of the performance targets based on the growth rate of the Company's audited revenue or adjusted profit.

On 31 March 2022, the Company granted 3,930,000 share options at exercise price of HK$8.61 per share option ("2022 Share Options"), which are accepted by the grantees, to subscribe for an aggregate of 3,930,000 shares under the Share Options Scheme. The 2022 Share Options shall be vested in two tranches, among which, 1,965,000 Share Options (the "2022 Tranche 1 Share Options") granted shall be vested on 30 March 2023 and another 1,965,000 Share Options (the "2022 Tranche 2 Share Options") granted shall be vested on 30 March 2024 subject to below vesting conditions:

2022 Tranche 1 Share Options

(i) 25% of Tranche 1 Share Options shall be vested on 30 March 2023 with no performance targets requirement;

(ii) 75% of Tranche 1 Share Options shall be vested on 30 March 2023 conditionally upon fulfilment of the performance targets based on the growth rate of the Group's audited revenue or adjusted net profit.

2022 Tranche 2 Share Options

(i) 25% of Tranche 2 Share Options shall be vested on 30 March 2024 with no performance targets requirement;

(ii) 75% of Tranche 2 Share Options shall be vested on 30 March 2024 conditionally upon fulfilment of the performance targets based on the growth rate of the Group's audited revenue or adjusted net profit.

29. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(i) Equity-settled share option scheme of the Company (Continued)

The following tables disclose movements of the Company's share options:

2024

			Number of share options		
	Exercise price	Date of grant	Outstanding at 1 January 2024	Lapsed/ Forfeited during year	Outstanding at 31 December 2024
Directors	HK$10.94	20 September 2019	150,000	–	150,000
	HK$8.76	8 April 2020	225,000	–	225,000
	HK$10.00	9 April 2021	300,000	–	300,000
	HK$8.61	31 March 2022	350,000	(50,000)	300,000
Employees	HK$10.94	20 September 2019	1,102,500	(193,500)	909,000
	HK$8.76	8 April 2020	1,215,750	(171,000)	1,044,750
	HK$10.00	9 April 2021	1,588,500	(205,500)	1,383,000
	HK$8.61	31 March 2022	1,892,625	(493,875)	1,398,750
			6,824,375	(1,113,875)	5,710,500
Exercisable at the end of the year			5,542,875		5,710,500
Weighted average exercise price (HK$)			9.45	9.29	9.49

2023

			Number of share options		
	Exercise price	Date of grant	Outstanding at 1 January 2023	Forfeited during year	Outstanding at 31 December 2023
Directors	HK$10.94	20 September 2019	150,000	–	150,000
	HK$8.76	8 April 2020	281,250	(56,250)	225,000
	HK$10.00	9 April 2021	375,000	(75,000)	300,000
	HK$8.61	31 March 2022	400,000	(50,000)	350,000
Employees	HK$10.94	20 September 2019	1,474,500	(372,000)	1,102,500
	HK$8.76	8 April 2020	1,855,750	(640,000)	1,215,750
	HK$10.00	9 April 2021	2,452,125	(863,625)	1,588,500
	HK$8.61	31 March 2022	3,265,000	(1,372,375)	1,892,625
			10,253,625	(3,429,250)	6,824,375
Exercisable at the end of the year			3,750,125		5,542,875
Weighted average exercise price (HK$)			9.39	9.27	9.45

29. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(i) Equity-settled share option scheme of the Company (Continued)

The estimated fair values of the options granted on 20 September 2019, 8 April 2020, 9 April 2021 and 31 March 2022 were approximately RMB4,370,000, RMB3,762,000, RMB5,703,000 and RMB5,066,000, respectively. The closing price of the Company's shares immediately before 20 September 2019, 8 April 2020, 9 April 2021 and 31 March 2022, the dates of grant, was HK$10.94, HK$8.58, HK$9.66 and HK$8.61, respectively. The share options outstanding at 31 December 2024 had a weighted average remaining contractual life of 3 years (2023: 3 years).

These fair values were calculated using the Binomial model.

Expected volatility was determined by using the historical volatility of comparable companies as an estimate. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of approximately RMB182,000 (2023: RMB1,937,000) for the year ended 31 December 2024 in relation to share options granted by the Company.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

(ii) RSU Schemes of the Company

The Company's 2021 RSU Scheme was adopted pursuant to a resolution passed on 10 June 2021 for the primary purpose of providing incentives to directors and eligible employees. The 2021 RSU Scheme will be valid and effective for a period of ten years commencing on 10 June 2021.

The maximum number of RSUs that may be granted under the 2021 RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the 2021 RSU Scheme) shall not exceed 2.5% of the number of shares in issue from time to time.

The Company's 2023 RSU Scheme was adopted pursuant to a resolution passed on 22 November 2023 for the primary purpose of providing incentives to directors of the Company and eligible employees. The 2023 RSU Scheme will be valid and effective for a period of ten years commencing on 22 November 2023.

The maximum number of RSUs that may be granted under the 2023 RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the 2023 RSU Scheme) shall not exceed 10% of the number of shares in issue from time to time.

The Company has entered into trust deeds with the trustee for the purpose of facilitating the purchase and holding of shares of the Company and the administration of the RSU Schemes.

On 10 June 2021, an aggregate of 780,000 RSUs ("2021 June RSU Awards") were granted to directors and eligible employees pursuant to the 2021 RSU Scheme, representing 0.38% of the shares of the Company in issue at that date. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date. The 2021 June RSU Awards shall be vested conditionally over 36 months from the grant date. The 2021 June RSU Awards will be satisfied, upon the satisfaction or waiver of all the relevant vesting conditions, by existing shares of the Company to be acquired by the trustee through on-market purchases.

29. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) RSU Schemes of the Company (Continued)

On 9 September 2021, an aggregate of 91,105 RSUs ("2021 September RSU Awards") were granted to directors pursuant to the 2021 RSU Scheme, representing 0.044% of the shares of the Company in issue at that date. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date. The 2021 September RSU Awards shall be vested conditionally over 36 months from the grant date. The 2021 September RSU Awards will be satisfied, upon the satisfaction or waiver of all the relevant vesting conditions, by existing shares of the Company to be acquired by the trustee through on-market purchases.

On 31 March 2022, an aggregate of 1,031,000 RSUs ("2022 March RSU Awards") were granted to directors of the Company and eligible employees pursuant to the 2021 RSU Scheme, representing 0.5% of the shares of the Company as at the date. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date. The 2022 March RSU Awards shall be vested conditionally over 36 months from the grant date. The 2022 March RSU Awards will be satisfied, upon the satisfaction or waiver of all the relevant vesting conditions, by existing shares of the Company to be acquired by the trustee through on-market purchases.

On 30 March 2023, an aggregate of 2,492,000 RSUs ("2023 March RSU Awards") were granted to directors of the Company and eligible employees pursuant to the 2021 RSU Scheme, representing 1.2% of the shares of he Company as at that date. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date. The 2023 March RSU Awards shall be vested conditionally over 12 to 36 months from the grant date. The 2023 March RSU Awards will be satisfied, upon the satisfaction or waiver of all the relevant vesting conditions, by existing shares of the Company to be acquired by the trustee through on-market purchases.

On 8 April 2024, an aggregate of 2,890,700 RSUs ("2024 April RSU Awards") were granted to directors of the Company and eligible employees pursuant to the 2021 RSU Scheme and the 2023 RSU Scheme, representing 1.4% of the shares of the Company as at that date. The fair value of the RSUs granted is measured with reference to the closing price of the ordinary shares of the Company at the grant date. The 2024 April RSU Awards shall be vested conditionally over 12 to 36 months from the grant date. The 2024 April RSU Awards will be satisfied, upon the satisfaction or waiver of all the relevant vesting conditions, by existing shares of the Company to be acquired by the trustee through on-market purchases.

During the year ended 31 December 2024, the Company purchased 470,000 shares (2023: 27,750) of the Company's own ordinary shares in the market through the trustee of the RSU Schemes, at prices ranging from HK$5.90 to HK$5.97 per share (2023: HK$5.45 to HK$6.00 per share) for an aggregate consideration of approximately RMB2,571,000 (2023: RMB148,000).

As at 31 December 2024, 4,640,056 (2023: 5,112,605) of the Company's own ordinary shares are held by the trustee.

29. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) RSU Schemes of the Company (Continued)

The following tables disclose movements of the Company's RSUs:

		Number of restricted share units				
	Date of grant	Outstanding at 1 January 2024	Grant during year	Vested during year	Lapsed/ Forfeited during year	Outstanding at 31 December 2024
Directors	10 June 2021	130,000	–	(130,000)	–	–
	9 September 2021	78,090	–	(65,075)	(13,015)	–
	31 March 2022	278,000	–	–	(13,000)	265,000
	30 March 2023	776,000	–	(129,204)	(91,796)	555,000
	8 April 2024	–	1,355,700	–	(54,000)	1,301,700
Employees	10 June 2021	359,000	–	(359,000)	–	–
	31 March 2022	388,000	–	–	(19,000)	369,000
	30 March 2023	1,312,000	–	(259,270)	(115,730)	937,000
	8 April 2024	–	1,535,000	–	(150,000)	1,385,000
		3,321,090	2,890,700	(942,549)	(456,541)	4,812,700

		Number of restricted share units			
	Date of grant	Outstanding at 1 January 2023	Granted during year	Forfeited during year	Outstanding at 31 December 2023
Directors	10 June 2021	130,000	–	–	130,000
	9 September 2021	91,105	–	(13,015)	78,090
	31 March 2022	291,000	–	(13,000)	278,000
	30 March 2023	–	812,000	(36,000)	776,000
Employees	10 June 2021	521,000	–	(162,000)	359,000
	31 March 2022	701,000	–	(313,000)	388,000
	30 March 2023	–	1,680,000	(368,000)	1,312,000
		1,734,105	2,492,000	(905,015)	3,321,090

The Group recognised the total expense of approximately RMB9,230,000 (2023: RMB5,757,000) for the year ended 31 December 2024 in relation to RSUs granted by the Company.

30. 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% (2023: 12% to 20%) of employees' salaries, 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 year ended 31 December 2024, 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 RMB907,129,000 (2023: RMB711,312,000).

30. RETIREMENT BENEFIT PLANS (Continued)

Defined Benefit Plan

(a) Hong Kong

Obligation to pay LSP under Hong Kong Employment Ordinance, Chapter 57

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) × 2/3 × Years of service

Last monthly wages are capped at HK$22,500 while the amount of LSP shall not exceed HK$390,000. This obligation is accounted for as a post -employment defined benefit plan.

Furthermore, the MPF Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement').

The Amendment Ordinance was gazette on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP. On the other hand, the accrued benefits derived from the Group's voluntary contributions made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP.

30. RETIREMENT BENEFIT PLANS (Continued)

Defined Benefit Plan (Continued)

(b) Taiwan

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 2024, 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 and debt instruments. 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 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 investments.
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 were as follows:

	2024 %	2023 %
Discount rate	1.50	1.38
Expected rate of long-term salary increases	4.00	4.00

The actuarial valuation showed that the market value of plan assets at 31 December 2024 was approximately RMB2,028,000 (2023: RMB1,884,000) and that the actuarial value of these assets represented 144% (2023: 193%) of the benefits that had accrued to members.

30. RETIREMENT BENEFIT PLANS (Continued)

Defined Benefit Plan (Continued)

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income in respect of these defined benefit plans are as follows:

	2024 RMB'000	2023 RMB'000
Past service cost	–	16
Interest expense on defined benefit obligation	13	15
Interest income on plan assets	(25)	(27)
Components of defined benefit (income) costs recognised in profit or loss	(12)	4
Remeasurement of the net defined benefit liability:		
Actuarial (gains) losses arising from changes in financial assumptions	(22)	17
Actuarial losses (gains) arising from experience adjustments	478	(99)
Gain on plan assets	(160)	(11)
Income tax related to actuarial (gains) losses from remeasurement of defined benefit obligations	(59)	19
Components of defined benefit costs (income) recognised in other comprehensive income	237	(74)
Total	225	(70)

The expense for the year 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 statement of financial position arising from the Group's obligation in respect of the plan is as follows:

	2024 RMB'000	2023 RMB'000
Fair value of plan assets	2,028	1,884
Present value of funded obligations	(1,407)	(977)
Net asset arising from defined benefit obligations	621	907

30. RETIREMENT BENEFIT PLANS (Continued)

Defined Benefit Plan (Continued)

Movements in the present value of the defined benefit obligations in the current year were as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	977	1,027
Actuarial (gains) losses arising from changes in financial assumptions	(22)	17
Actuarial losses (gains) arising from experience adjustments	478	(99)
Past service cost	–	16
Benefits paid	–	(16)
Interest expense	13	15
Exchange differences	(39)	17
At 31 December	1,407	977

Movements in the fair value of the plan assets in the current year were as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	1,884	1,829
Gain on plan assets (excluding interest income on plan assets)	160	11
Benefits paid	–	(16)
Interest income	25	27
Contributions from employer	29	–
Exchange differences	(70)	33
At 31 December	2,028	1,884

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	Fair value of plan assets	
	2024 RMB'000	2023 RMB'000
Bank deposits	293	294
Equity instruments	966	875
Debt instruments	545	518
Others	224	197
At 31 December	2,028	1,884

30. RETIREMENT BENEFIT PLANS (Continued)

Defined Benefit Plan (Continued)

During the year ended 31 December 2024, the actual return on plan assets was approximately RMB25,000 (2023: RMB27,000).

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 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 RMB44,000 (increase by approximately RMB45,000) (2023: decrease by approximately RMB35,000 (increase by approximately RMB37,000)).

- If the expected salary growth increases (decreases) by 0.25%, the defined benefit obligation would increase by approximately RMB44,000 (decrease by approximately RMB42,000) (2023: increase by approximately RMB36,000 (decrease by approximately RMB34,000)).

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 the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

31. 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 from prior year.

The capital structure of the Group consists of net debt, which includes amount due to a shareholder (non-trade related) disclosed in note 23, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, reserves and non-controlling interests.

32. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2024 RMB'000	2023 RMB'000
Financial assets		
Equity instruments at FVTOCI	8,390	8,959
Amortised cost	2,266,810	1,871,441
Financial liabilities		
Amortised cost	21,461	24,898
Lease liabilities	35,377	39,847

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount due to a shareholder, amounts due from (to) related companies, time deposits with original maturity over three months, restricted bank deposits, bank balances and cash, lease liabilities and trade and other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price 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.

Market risk

(i) 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 end of the reporting period are as follows:

	Assets		Liabilities	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Inter-company balances				
US$	82,919	94,823	82,919	94,823

32. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

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$, the foreign currency exchange risk is considered to be limited. For the entity having significant US$ 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 sensitivity to a 5% (2023: 5%) increase in RMB against US$. 5% (2023: 5%) is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2023: 5%) change in foreign currency rates. A negative number below indicates decrease in post-tax profit where RMB strengthens 5% (2023: 5%) against US$. For a 5% (2023: 5%) weakening of RMB against US$, there would be an equal and opposite impact on the result.

	2024 **RMB'000**	2023 RMB'000
Impact of US$ on profit/loss for the year	**(3,109)**	(3,556)

The directors of the Company considered the sensitivity analysis is unrepresentative of the inherent foreign exchange rate as the year-end exposure does not reflect the exposure during the relevant years.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate amounts due from related companies (see note 23 for details), time deposits with original maturity over three months (see note 24 for details) and lease liabilities (see note 27 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).

Management has considered the Group's exposure to cash flow interest rate risk in relation to variable rate restricted bank deposits and bank balances to be limited.

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.

(iii) Other price risk

The Group is exposed to equity price risk through its unquoted investments measured at FVTOCI. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. Sensitivity analyses for equity instruments at FVTOCI, which are unquoted equity securities with fair value measurement categorised within Level 3, were disclosed in note 32c.

32. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables, amounts due from related companies, restricted bank deposits, time deposits with original maturity over three months and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade receivables

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. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts and sufficient allowance on doubtful debts are provided on timely manner. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, Hong Kong and Macau and Taiwan, which accounted for 70% (2023: 70%), 23% (2023: 18%) and 7% (2023: 12%) of the total trade receivables as at 31 December 2024, respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped under a provision matrix based on different groups of customers which share common risk characteristics that are representative of the customers' ability to pay all amounts due in accordance with the contract terms. Net impairment of approximately RMB1,809,000 (2023: RMB2,213,000) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

Other receivables and amounts due from related companies

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.

32. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Restricted bank deposits, time deposits with original maturity over three months and bank balances

Credit risk on restricted bank deposits, time deposits with original maturity over three months and bank balances is limited because the counterparties are banks and financial institutions with high credit ratings assigned by international credit rating agencies generally. The Group assessed 12m ECL for restricted bank deposits, time deposits with original maturity over three months and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits, time deposits with original maturity over three months and bank balances is considered to be insignificant.

Other than the concentration of credit risk on restricted bank deposits, time deposits with original maturity over three months 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.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
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	12m ECL
Watch list	Debtor with past-due amounts and frequently repays after due dates	Lifetime ECL – not credit-impaired	12m ECL
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	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	Lifetime ECL – not credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

32. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount 2024 RMB'000	2023 RMB'000
Financial assets at amortised cost						
Trade receivables	*22*	N/A	*(Note 1)*	Lifetime ECL (provision matrix)	**1,252,301**	858,651
			Loss *(Note 1)*	Credit-impaired	**5,542**	5,202
					1,257,843	863,853
Other receivables	*22*	N/A	*(Note 2)*	12m ECL	**32,800**	27,665
Amounts due from related companies	*23*	N/A	*(Note 2)*	12m ECL	**4,383**	3,806
Restricted bank deposits	*24*	BBB to A+ (2023: A- to A+)	N/A	12m ECL	**50,818**	49,009
Time deposits with original maturity over three months	*24*	BBB to A- (2023: BBB+ to A-)	N/A	12m ECL	**177,671**	228,705
Bank balances	*24*	BBB- to AAA (2023: BBB to AA+)	N/A	12m ECL	**752,377**	706,434
Total					**2,275,892**	1,879,472

Notes:

1. For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired, the Group determines the ECL on these items by using a provision matrix, grouped by internal credit rating.

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For the year ended 31 December 2024

32. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

1. (Continued)
   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 within lifetime ECL (not credit-impaired). Debtors with credit-impaired with gross carrying amounts of approximately RMB4,990,000 as at 31 December 2024 (2023: RMB5,202,000) were assessed individually.

	2024			2023		
	Average loss rate	Gross trade receivables RMB'000	ECL RMB'000	Average loss rate	Gross trade receivables RMB'000	ECL RMB'000
Assessed based on provision matrix						
Internal credit rating:						
Low risk	0.2%	1,196,957	2,035	0.2%	819,156	1,263
Watch list	3.7%	55,896	2,057	4.0%	39,495	1,566
		1,252,853	4,092		858,651	2,829
Assessed individually						
Loss	100%	4,990	4,990	100%	5,202	5,202
		1,257,843	9,082		863,853	8,031

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.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2023	1,956	4,540	6,496
Transfer to credit-impaired	(1,038)	1,038	–
Impairment losses reversed	(856)	(5,460)	(6,316)
Impairment losses recognised	2,767	5,762	8,529
Write-offs	–	(678)	(678)
As at 31 December 2023	2,829	5,202	8,031
Transfer to credit-impaired	(76)	76	–
Impairment losses reversed	(1,526)	(444)	(1,970)
Impairment losses recognised	2,865	914	3,779
Write-offs	–	(758)	(758)
As at 31 December 2024	4,092	4,990	9,082

32. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

1. (Continued)
   All of the above impairment losses related to receivables arising from contracts with customers.

   During the year ended 31 December 2024, impairment loss of approximately RMB2,865,000 (2023: RMB2,767,000) was recognised for not-credit-impaired trade receivables and impairment allowance for trade receivables of approximately RMB1,970,000 (2023: RMB6,316,000) was reversed resulting from subsequent settlement. Impairment loss of approximately RMB914,000 (2023: RMB5,762,000) was made on credit-impaired debtors during the year ended 31 December 2024.

2. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

   As at 31 December 2024 and 2023, the balance is not past due and the internal credit rating is considered as low risk.

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 monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows of the Group.

The following table details the Group'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 of financial liabilities based on the earliest date on which the Group 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.

	Weighted average effective interest rate %	Repayable on demand or less than 1 year RMB'000	1-5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024					
Non-derivative financial liabilities					
Trade and other payables	–	9,441	–	9,441	9,441
Amount due to a shareholder	–	11,109	–	11,109	11,109
Amounts due to related companies	–	911	–	911	911
Lease liabilities	4.09	16,721	20,312	37,033	35,377
		38,182	20,312	58,494	56,838

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For the year ended 31 December 2024

32. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average effective interest rate %	Repayable on demand or less than 1 year RMB'000	1-5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2023					
Non-derivative financial liabilities					
Trade and other payables	–	12,745	–	12,745	12,745
Amount due to a shareholder	–	10,854	–	10,854	10,854
Amounts due to related companies	–	1,299	–	1,299	1,299
Lease liabilities	4.46	26,863	14,985	41,848	39,847
		51,761	14,985	66,746	64,745

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 that are measured at fair value on a recurring basis

Some of the Group's financial assets 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 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 categorised (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).

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32. FINANCIAL INSTRUMENTS (Continued)

c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2024 RMB'000	2023 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted equity investments classified as equity instruments at FVTOCI	8,390	8,959	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate.	Discount rate of 18.47% (2023: 18.47%)	The higher the discount rate, the lower the fair value. A 1% increase in the discount rate, holding all other variables constant, would decrease the carrying amount of the equity investments by approximately RMB210,000 (2023: RMB353,000), vice versa.

There was no transfer among the different levels of the fair value hierarchy for both years.

32. FINANCIAL INSTRUMENTS (Continued)

c. Fair value measurements of financial instruments (Continued)

(ii) Reconciliation of Level 3 fair value measurements

	Unlisted investments classified as equity instruments at FVTOCI RMB'000
As at 31 December 2023 and 1 January 2024	8,959
Fair value loss in other comprehensive income	(569)
As at 31 December 2024	8,390

(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 consolidated financial statements 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.

33. 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.

The Group had outstanding performance bonds, for which certain restricted bank deposits are pledged (note 24), as follows:

	2024 RMB'000	2023 RMB'000
Issued by the banks	50,818	49,009

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 statement of cash flows as cash flows from financing activities.

	Amount due to a shareholder (non-trade nature) RMB'000	Lease liabilities RMB'000	Dividends payables RMB'000	Total RMB'000
At 1 January 2023	7,872	55,872	–	63,744
Financing cash flows	–	(30,169)	(31,385)	(61,554)
Non-cash changes				
Interest expense recognised *(note 8)*	–	1,838	–	1,838
Dividends declared	–	–	31,385	31,385
New leases entered	–	13,930	–	13,930
Disposal of a subsidiary	–	(1,417)	–	(1,417)
Exchange adjustments	114	(207)	–	(93)
At 31 December 2023	**7,986**	**39,847**	**–**	**47,833**
Financing cash flows	**–**	**(27,638)**	**(62,152)**	**(89,790)**
Non-cash changes				
Interest expense recognised *(note 8)*	**–**	**1,288**	**–**	**1,288**
Dividends declared	**–**	**–**	**62,152**	**62,152**
New leases entered	**–**	**21,782**	**–**	**21,782**
Exchange adjustments	**174**	**98**	**–**	**272**
At 31 December 2024	**8,160**	**35,377**	**–**	**43,537**

35. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group has entered into the following significant transactions with related parties:

	Nature of transaction	2024 RMB'000	2023 RMB'000
A shareholder	License fee expense	9,461	9,304
	Information technology services expense	–	1
	Manpower Employment Outlook Survey license fee expense	410	375
Related companies	Flexible staffing service income	3,647	2,204
	Flexible staffing service expense	22,761	12,771
	Other HR services income	651	766
	Other HR services expense	359	7

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2024 RMB'000	2023 RMB'000
Short-term employee benefits	12,533	11,582
Post-employment benefits	133	123
Equity-settled share-based payments	3,136	2,311
	15,802	14,016

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

General information of principal subsidiaries

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiary	Place and date of incorporation/ establishment/ operations	Issued and fully paid capital/ registered capital	Equity interest attributable to the Company		Principal activities
			2024	2023	
Directly held:					
ManpowerGroup Greater China (BVI) Limited	BVI 30 September 2014	HK$334,296,674	**100%**	100%	Investment holding
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	US$4,800,000	**100%**	100%	Human resource services
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	RMB50,000,000 (2023: RMB20,000,000)	**100%**	100%	Human resource services
萬寶盛華信息科技(上海)有限公司 Manpower Information Technology (Shanghai) Co., Ltd.*^	Shanghai 25 July 2014	RMB50,050,000	**100%**	100%	Human resource services
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%	Career training
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%	Human resource services

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For the year ended 31 December 2024

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

General information of principal subsidiaries (Continued)

Name of subsidiary	Place and date of incorporation/ establishment/ operations	Issued and fully paid capital/ registered capital	Equity interest attributable to the Company 2024	2023	Principal activities
Indirectly held: (Continued)					
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%	Human resource services
Xi'an Fesco#	Xi'an 29 May 1997	RMB2,000,000	**60%**	60%	Human resource services
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%	Out placement and leadership development services
萬寶瑞華人才管理諮詢（深圳）有限公司 Experis Management Consulting (Shenzhen) Co., Ltd.^	Shenzhen 8 May 2019	RMB2,000,000	**100%**	100%	Human resource services
招才招單信息科技（上海）有限公司^	Shanghai 17 January 2020	RMB10,000,000	**100%**	100%	Consultancy services
萬寶簡斯（上海）智能科技有限公司^ Jansis Intelligent Technology (Shanghai) Co., Ltd.*	Shanghai 6 March 2020	RMB5,000,000	**100%**	100%	Consultancy services
Experis Management Consulting (Chengdu) Co., Ltd.^	Chengdu 22 June 2022	RMB2,000,000	**100%**	100%	Enterprise management consulting

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

General information of principal subsidiaries (Continued)

Name of subsidiary	Place and date of incorporation/ establishment/ operations	Issued and fully paid capital/ registered capital	Equity interest attributable to the Company 2024	2023	Principal activities
Indirectly held: (Continued)					
ManpowerGroup Greater China (HK) Limited	Hong Kong 8 October 2014	HK$299,558,242	**100%**	100%	Investment holding
Manpower Services HK	Hong Kong 6 January 1997	HK$65,982,834	**100%**	100%	Human resource services
ManpowerGroup Solutions Holdings Hong Kong Limited	Hong Kong 8 October 2014	HK$43,026,193	**60%**	60%	Investment holding
Legal Futures (HK) Limited	Hong Kong 20 September 2002	HK$10,000	**100%**	100%	Executive recruitment consultancy service
Event Elite	Hong Kong 12 July 2000	HK$14,286	**51%**	51%	Event Management Services
Manpower Services (Macau) Limited	Macau 26 July 2007	MOP300,000	**100%**	100%	Human resource services
Right Management Hong Kong Holdings Limited	Hong Kong 20 October 2014	HK$1	**100%**	100%	Out placement and leadership development services
Manpower Outsourcing Services (Macau) Limited	Macau 6 July 2017	MOP25,000	**100%**	100%	Human resource services
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%	Human resource services

* *For identification purposes only*

^ *These subsidiaries are wholly foreign owned enterprises established in the PRC.*

This subsidiary is a sino-foreign equity joint venture established in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

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		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	**2024**	2023	**2024**	2023
				RMB'000	RMB'000	**RMB'000**	RMB'000
ManpowerGroup Solutions Holdings Hong Kong Limited	Hong Kong and Taiwan	**40%**	40%	**13,273**	17,345	**103,691**	91,542
Individually immaterial subsidiaries with non-controlling interests				**4,979**	2,771	**20,157**	17,579
				18,252	20,116	**123,848**	109,121

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

	2024	2023
	RMB'000	RMB'000
Current assets	**367,560**	369,413
Non-current assets	**6,028**	9,634
Current liabilities	**106,185**	143,140
Non-current liabilities	**8,176**	7,052
Equity attributable to owners of the Company	**155,536**	137,313
Non-controlling interests of ManpowerGroup Solutions Holdings Hong Kong Limited	**103,691**	91,542

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

ManpowerGroup Solutions Holdings Hong Kong Limited and its subsidiaries (Continued)

	2024 RMB'000	2023 RMB'000
Revenue	920,338	1,065,691
Expenses	887,156	1,022,328
Profit for the year	33,182	43,363
Profit attributable to owners of the Company	19,909	26,018
Profit attributable to the non-controlling interests of ManpowerGroup Solutions Holdings Hong Kong Limited	13,273	17,345
Profit for the year	33,182	43,363
Other comprehensive (expense) income attributable to owners of the Company	(1,686)	1,388
Other comprehensive (expense) income attributable to the non-controlling interests of ManpowerGroup Solutions Holdings Hong Kong Limited	(1,124)	926
Other comprehensive (expense) income for the year	(2,810)	2,314
Total comprehensive income attributable to owners of the Company	18,223	27,406
Total comprehensive income attributable to the non-controlling interests of ManpowerGroup Solutions Holdings Hong Kong Limited	12,149	18,271
Total comprehensive income for the year	30,372	45,677

	2024 RMB'000	2023 RMB'000
Net cash inflow from operating activities	54,560	118,716
Net cash outflow from investing activities	(39,906)	(46,677)
Net cash outflow from financing activities	(44,275)	(38,259)
Net cash (outflow) inflow	(29,621)	33,780

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37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	**264,960**	264,960
Amounts due from subsidiaries	**82,919**	94,823
	347,879	359,783
CURRENT ASSETS		
Prepayments and other receivables	**–**	74
Bank balances and cash	**9,532**	4,579
	9,532	4,653
CURRENT LIABILITIES		
Other payables	**123**	–
Accruals	**10,776**	10,878
Amount due to a subsidiary	**64,943**	7,473
	75,842	18,351
NET CURRENT LIABILITIES	**(66,310)**	(13,698)
NET ASSETS	**281,569**	346,085
CAPITAL AND RESERVES		
Share capital (see note 28)	**1,830**	1,830
Reserves	**279,739**	344,255
TOTAL EQUITY	**281,569**	346,085

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

	Share capital RMB'000	Share premium RMB'000	Shares held for RSU Schemes RMB'000	Share-based payments reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	1,830	414,171	(36,537)	19,401	(28,200)	370,665
Loss and total comprehensive expense for the year	–	–	–	–	(9,300)	(9,300)
Purchase of shares under RSU Schemes	–	–	(148)	–	–	(148)
Recognition of equity-settled share-based payments	–	–	–	7,694	–	7,694
Dividends paid	–	(22,826)	–	–	–	(22,826)
At 31 December 2023	1,830	391,345	(36,685)	27,095	(37,500)	346,085
Loss and total comprehensive expense for the year	–	–	–	–	(13,256)	(13,256)
Purchase of shares under RSU Schemes	–	–	(2,571)	–	–	(2,571)
Recognition of equity-settled share-based payments	–	–	–	9,412	–	9,412
Shares vested under RSU Schemes	–	–	8,132	(6,656)	(1,476)	–
Dividends paid	–	(58,101)	–	–	–	(58,101)
At 31 December 2024	1,830	333,244	(31,124)	29,851	(52,232)	281,569

38. EVENT AFTER THE REPORTING PERIOD

The Group has no significant events after the end of the reporting period.

Financial Summary

	Year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**6,270,538**	5,303,592	4,588,460	3,968,874	3,222,631
Profit for the year	**148,100**	146,592	135,477	152,488	133,887
Profit for the year attributable to owners of the Company	**129,848**	126,476	118,606	139,169	126,357
Adjusted profit attributable to owners of the Company	**145,621**	135,079	131,771	145,686	136,200

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets	**304,749**	310,418	279,587	257,936	274,748
Current assets	**2,247,370**	1,827,192	1,650,533	1,731,620	1,585,754
Total assets	**2,552,119**	2,137,610	1,930,120	1,989,556	1,860,502
EQUITY AND LIABILITIES					
Total equity	**1,376,848**	1,279,962	1,151,047	1,329,774	1,256,405
Non-current liabilities	**47,242**	41,519	55,273	40,382	52,758
Current liabilities	**1,128,029**	816,129	723,800	619,400	551,339
Total liabilities	**1,175,271**	857,648	779,073	659,782	604,097
Total equity and liabilities	**2,552,119**	2,137,610	1,930,120	1,989,556	1,860,502