TRAVEL INDUSTRY COUNCIL OF HONG KONG

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2025

The directors submit their annual report and audited financial statements of the Travel Industry Council of Hong Kong (Council) for the year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Council in the year then ended 30 June 2025 were to serve as a general trade association of travel agencies in Hong Kong. The Council conducted activities which, maintaining a high professional standard within the industry, protecting the interests of travellers and the industry, exploring new business opportunities for members, and strengthening partnership with trade-related organisations within and outside Hong Kong.

RESULTS

The results of the Council for the year ended 30 June 2025 are set out in the statement of profit or loss and other comprehensive income on page 6. The state of affairs of the Council as at 30 June 2025 is set out in the statement of financial position on page 7 and 8.

SHARE CAPITAL

The Council is limited by guarantee and does not have a share capital.

MEMBERS

The roll of members as at 30 June 2025 is as follows:

Association Members	Ordinary Members	Affiliate Members
8	1395	43

BOARD OF DIRECTORS

The directors who held office during the year and up to the date of this report were:

Mr. TAM Kwong Shun, Tommy	-	Chairman, appointed on 10 December 2024
Mr. NG Hi On *MH*	-	Deputy Chairman
Mr. TSE Kam Shan, Ricky	-	Deputy Chairman
Mr. SY Chun Ming, Steve	-	Hon. Secretary
Mr. SO Tsz Yeung	-	Hon. Treasurer
Mr. CHENG King Ming		
Ms. CHOI Ying Ching, Gloria		
Mr. CHONG Shu Wong Tony		Appointed on 28 November 2024
Mr. CHUNG Chi Kan Teddy		Appointed on 1 January 2025
Mrs. HSU Wong, Gianna		Retired on 10 December 2024
Mr. KWAN Chun Hon		Appointed on 28 November 2024
Mr. LAM Sum Lim *MH*		
Mr. LAU Wai Ming		Retired on 30 November 2024
Mr. LEUNG Kwok Hing, Fred		
Mr. LEUNG Tin Lung, David		Retired on 28 November 2024
Mr. LO Fai Wah		Retired on 28 November 2024
Mr. LO Kai Pong, Roy *MH*		Retired on 28 November 2024
Mr. TONG Lun Wa		
Mr. TUNG Pui Chuen James		Appointed on 1 December 2024
Mr. WONG TZE Wing Jonathan		
Mr. YIP Hing Ning *MH*		
Mr. ZHONG Guosong		

In accordance with Article 51(e) of the Council's Articles of Association, an elected director shall hold office until the conclusion of the second Annual General Meeting after the Annual General Meeting at which he is elected. Mr CHENG King Ming, Mr TONG Lun Wa, Mr YIP Hing Ning *MH* and Mr ZHONG Guosong are retiring at the forthcoming Annual General Meeting.

DIRECTORS' INTERESTS

No contract of significance in relation to the Council's business to which the Council was a party and in which a director of the Council had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Council a party to any arrangements to enable the directors of the Council to acquire benefits by means of the acquisition of shares in, or debentures of, the Council or any other body corporate.

PERMITTED INDEMNITY PROVISION

Article 74(1) of the Council's Articles of Association provides that every Member of the Board of Directors, any member of any committee of the Board of Directors, and every Officer for the time being of the Council shall be indemnified out of the funds of the Council against all liabilities and obligations which they, or any of them, may incur in good faith in the proper and reasonable performance or purported performance of their duties in relation to the Council other than any liability which attaches to them by law in respect of any negligence, default, breach of duty or breach of trust. Further they shall be indemnified from the funds of the Council against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application under section 358 of the predecessor Companies Ordinance (corresponding to sections 902 to 904 of the Companies Ordinance) in which relief is granted to them by the Court: Provided that none of the funds of the Council shall be applied in payment of the whole or part of any fine or penalty imposed upon any person by sentence or order of a Court of Justice. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Council was entered into or existed during the year.

BUSINESS REVIEW

(a) A fair review of the Council's business

The Council was incorporated and registered under the Companies Ordinance as a company limited by guarantee in 1988.

The aim of the Council's operation is sustainability rather than profitability. It has used the following financial ratios as key performance indicators (KPIs) to assess its operational sustainability:

- Net surplus as a percentage of total income is reviewed to measure the Council's effectiveness in managing its operation and its expenses.

- Current ratio (Current assets/Current liabilities) is used to measure the Council's ability to pay off short term obligations with its short-term assets. The Council aims at maintaining a higher and healthier current ratio because it shows that the Council can more easily make current debt payments.

- Debt ratio (Total liabilities/Total assets) is used to measure the Council's ability to pay off its liabilities with its assets and financial leverage. The Council aims at maintaining a lower debt ratio so as to achieve stability in its operation.

The net surplus as a percentage of total income, current ratio and debt ratio of the Council for the fiscal years 2024/2025 and 2023/2024 are as follows:

Financial ratio	2024-2025	2023-2024
Net surplus ratio	4.2%	2.0%
Current ratio	1.13	1.08
Debt ratio	0.75	0.77

BUSINESS REVIEW- CONTINUED

(b) The principal risks and uncertainties facing the Council and possible future development in the Council's business

Due to the cessation of the Council's regulatory functions from 1 September 2022, the Council ceased to be a public body, and no longer received levy income and inbound tour registration fee income. The focus of the Council shifts to the promotion of trade interests and fellowship among members.

(c) Particulars of important events affecting the Council that have occurred since the end of the financial year

There is no important event happened since the end of the financial year and up to the date of this report that affect the normal operations of the Council.

(d) An indication of likely future development in the Council's business

The Council will keep its operation focusing on:
- Promote the development and professionalism of the travel industry
- Enhance the service standards of the travel industry
- Protect and promote interests and fellowship among members
- Strengthen partnership with travel-related organisations within and outside Hong Kong
- Provision of services and training for members and travel practitioners

EQUITY-LINKED ARRANGEMENTS
During the financial year, the Council did not enter into any equity-linked agreement.

At the end of the financial year, no equity-linked agreement subsisted.

DIVIDENDS
Dividends are not permitted pursuant to Article 6 of the Council's Articles of Association.

DONATIONS
During the financial year, the Council made no donation.

AUDITORS
The financial statements have been audited by Mass CPA Limited, Certified Public Accountants (Practising), who now retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board of Directors

Mr. TAM Kwong Shun, Tommy
Chairman

Hong Kong, 9 October 2025