

TRAVEL INDUSTRY COUNCIL OF HONG KONG

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	<u>NOTE</u>	<u>2026</u> HK\$	<u>2025</u> HK\$
INCOME			
Training course and examination income	5(a)	3,320,900	3,192,280
Membership fee income	5(b)	1,407,500	1,486,800
Tour Escort Pass and Tourist Guide Pass income		-	354,628
Bank interest income	6	160,609	323,367
Service income from government projects	7	6,184,000	11,830,341
Travel Trade Activities income		1,874,425	1,315,716
Other income		181,987	152,248
Government grants	8	5,199,429	3,904,542
		<u>18,328,850</u>	<u>22,559,922</u>
EXPENDITURE			
Staff costs		9,288,300	13,112,220
Mandatory provident fund Contributions	10	337,306	491,952
Public and member relations		1,120,661	850,949
Training course and examination expenses		592,444	464,495
Legal and professional fees		15,805	9,405
General and administration		563,404	899,038
Building management fee and related expenses		529,235	593,990
Travel Trade Activities Expenses		157,153	100,028
Inspection expenses		-	132,969
Director's fees, emoluments and travelling Allowances	9	96,000	96,000
Auditor's remuneration		35,000	35,000
Depreciation	10	5,920,485	4,359,741
Depreciation – right-of-use assets	10	-	229,205
Donation		10,000	-
Interest expenses	10	-	12,150
Strengthening of the web-based tourism resource platform about Belt and Road countries and regions and Bay Area Cities	13	-	239,848
		<u>18,665,793</u>	<u>21,626,990</u>
(Deficit)/surplus before taxation	10	(336,943)	932,932
Income tax credit	11	-	9,286
(Deficit)/surplus for the year		(336,943)	942,218
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(336,943)</u>	<u>942,218</u>

The notes on pages 12 to 25 form an integral part of these financial statements.

TRAVEL INDUSTRY COUNCIL OF HONG KONG
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	<u>NOTE</u>	<u>2026</u> HK\$	<u>2025</u> HK\$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	11,815,490	17,673,975
		<u>11,815,490</u>	<u>17,673,975</u>
CURRENT ASSETS			
Sundry deposits, prepayments and temporary payments		1,532,981	1,199,647
Deposits with bank for Web-based Tourism Resource Platform funding	13	2,302,067	2,882,780
Deposits with bank for Green Lifestyle Local Tour Incentive Scheme	14	-	1,289,677
Deposits with bank for Pilot Information Technology Development Matching Fund Scheme for Travel Agents	15	17,591,860	33,585,491
Deposits with bank for Travel Industry Training Fund	16	3,885,366	5,138,336
Deposits with bank for Travel Agents Incentive Scheme (outbound)	17	-	21,856,136
Deposits with bank for Training Enhancement for Travel Industry	18	-	315,532
Deposits with bank for Cultural and Heritage Sites Local Tour Incentive Scheme	19	-	2,912,659
Deposits with bank for Characteristic Local Travel Incentive Scheme	20	8,932,902	1,896,781
Accounts receivable		92,912	9,642,368
Other receivables under Cultural and Heritage Sites Local Tour Incentive Scheme and Characteristic Local Travel Incentive Scheme	19, 20	-	2,279,202
Other receivable under Green Lifestyle Local Tour Incentive	14	-	844,473
Interest receivable		67,820	42,404
Cash and bank balances		18,904,586	10,247,927
		<u>53,310,494</u>	<u>94,133,413</u>
CURRENT LIABILITIES			
Accounts payable and accruals		2,658,444	3,205,684
Government project expenses payable		-	9,380,911
Course fees received in advance		348,100	610,820
Membership fees received in advance		1,252,500	1,348,700
Deferred government grant to Web-based Tourism Resources Platform funding	13	-	3,909,310
Other payable to Web-based Tourism Resources Platform funding	13	2,302,067	2,882,780
Other payable to Pilot Information Technology Development Matching Fund Scheme for Travel Agents	15	17,591,860	33,585,491
Other payable to Travel Industry Training Fund	16	3,885,366	5,138,336
Other payable to Travel Agents Incentive Scheme (outbound)	17	-	20,876,136
Deferred government grant to Training Enhancement for Travel Industry	18	-	1,605,651
Other payable to Cultural and Heritage Sites Local Tour Incentive Scheme	19	-	821,881
Other payable to Characteristic Local Travel Incentive Scheme	20	8,932,902	-
Provision for severance and long service payment		70,000	20,000
		<u>37,041,239</u>	<u>83,385,700</u>
NET CURRENT ASSETS		<u>16,269,255</u>	<u>10,747,713</u>

TRAVEL INDUSTRY COUNCIL OF HONG KONG

STATEMENT OF FINANCIAL POSITION – CONTINUED

AS AT 30 JUNE 2026

	<u>NOTE</u>	<u>2026</u> HK\$	<u>2025</u> HK\$
OTHER LIABILITIES			
Deferred tax liability	21	-	-
		-	-
TOTAL NET ASSETS		<u>28,084,745</u>	<u>28,421,688</u>
ACCUMULATED FUND			
Accumulated surplus carried forward	22	<u>28,084,745</u>	<u>28,421,688</u>

The financial statements on pages 6 to 25 were approved and authorised for issue by the Board of Directors on 8 October 2026 and signed on its behalf by:



Mr. TAM Kwong Shun, Tommy
Chairman



Mr. WONG Tze Wing Jonathan
Hon. Treasurer

The notes on pages 12 to 25 form an integral part of these financial statements.

TRAVEL INDUSTRY COUNCIL OF HONG KONG
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED 30 JUNE 2026

	<u>2026</u> HK\$	<u>2025</u> HK\$
Accumulated surplus at the beginning of the year	28,421,688	27,479,470
Total comprehensive income for the year	<u>(336,943)</u>	<u>942,218</u>
Accumulated surplus at the end of the year	<u>28,084,745</u>	<u>28,421,688</u>

TRAVEL INDUSTRY COUNCIL OF HONG KONG

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	<u>NOTE</u>	<u>2026</u> HK\$	<u>2025</u> HK\$
Cash flows from operating activities			
Surplus before taxation		(336,943)	932,932
Adjustments for:			
Depreciation		5,920,485	4,359,741
Depreciation - Right-of-use assets		-	229,205
Bank interest income		(160,609)	(323,367)
Operating surplus before working capital changes		5,422,933	5,198,511
Decrease in accounts receivable		9,549,456	436,802
Increase in interest receivable		(25,416)	(13,380)
(Increase)/decrease in prepayments and deposits		(333,334)	1,040,375
Increase/(decrease) in accounts payable and accruals		(547,240)	788,428
Increase in provision for severance and long service payment		50,000	20,000
Decrease in membership fees received in Advance		(96,200)	(100,900)
(Decrease)/increase in course fees received in advance		(262,720)	201,580
Decrease in pass fees received in advance		-	(354,627)
Decrease in lease liabilities		-	(580,464)
Decrease in government projects expenses payable		(9,380,911)	(1,250,476)
Net changes in Pilot Information Technology Development Matching Fund Scheme for Travel Agents		-	(162,500)
Net changes in Web-based Tourism Resource Platform funding		(3,909,310)	(2,556,207)
Net changes in Cultural and Heritage Sites Local Tour Incentive Scheme and Characteristic Local Travel Incentive Scheme		6,266,761	568,259
Net changes in Green Lifestyle Local Tour Incentive Scheme		2,134,150	-
Net changes in Travel Agents Incentive Scheme (outbound)		980,000	-
Net changes in Training Enhancement for the Travel Industry		(1,290,119)	(263,770)
Cash inflow from operating activities		8,558,050	2,971,631
Income tax rebate		-	-
Net cash inflow from operating activities		8,558,050	2,971,631
Cash flows from investing activities			
Purchase of property, plant and equipment		(62,000)	(2,523,875)
Changes in right-of-use assets		-	343,808
Bank interest income		160,609	323,367
Net cash outflow from investing activities		98,609	(1,856,700)
Net cash inflow before financing activities		8,656,659	1,114,931
Financing activities			
Interest expenses payable		-	-
Net cash outflow from financing activities		-	-
Net increase in cash and cash equivalents		8,656,659	1,114,931

TRAVEL INDUSTRY COUNCIL OF HONG KONG

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	<u>NOTE</u>	<u>2026</u> HK\$	<u>2025</u> HK\$
Cash and cash equivalents at the beginning of the year		<u>10,247,927</u>	<u>9,132,996</u>
Cash and cash equivalents at the end of the year		<u>18,904,586</u>	<u>10,247,927</u>

The notes on pages 12 to 25 form an integral part of these financial statements.

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

1. CORPORATE INFORMATION

The Travel Industry Council of Hong Kong (Council) was incorporated in Hong Kong with liability limited by guarantee under the Companies Ordinance. The address of its registered office and principal place of business is Rooms 1706-1709, Fortress Tower, 250 King's Road, North Point, Hong Kong. The principal activities of the Council in the year then ended 30 June 2026 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.

2. STATEMENT OF COMPLIANCE

a. Statement of compliance

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention and have been prepared under the accrual basis of accounting and on the basis that the Council is a going concern.

b. Basis of measurement

The measurement bases used in preparing these financial statements are set out in note 4 to financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Functional and presentation currency

The items included in the financial statements of entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Hong Kong Dollars, which is the Council's functional and the presentation currency.

b. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

c. Property, plant and equipment

Depreciation of plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Office equipment and computer	Depreciated over 3 years
Furniture and fixtures	Depreciated over 5 years
Tourism resource platform	Depreciated over 3 years
Buildings	Depreciated over 41 years
Leasehold land	Depreciated over the unexpired term of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Buildings held for use in the production or supply of goods and services, or for administrative purposes, are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on buildings is provided to write off the cost over their estimated economic lives using the straight-line method.

An item of property, plant 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss and other comprehensive income in the year in which the item is derecognised.

d. Impairment of non-financial asset

At the end of each reporting date, property, plant and equipment is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

e. Income recognition

Revenue consists of turnover and other revenue but excludes the reversal of impairment. Turnover comprises revenue generated from the principal activities of the Council. Other revenue includes exchange gain (net of exchange loss), gain on disposal of capital assets and reversal of provisions.

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the Council and when the amount of revenue as well as costs incurred for the transaction can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and is shown net of discounts, rebates, returns on the following bases.

- Membership fee income is recognised over the term of the membership.
- Income from seminars and courses is recognised in the period when the services are rendered.
- Bank interest income is accrued on a time proportion basis on the principal outstanding and at the interest rate applicable.
- Service income from the government projects is recognised when the relevant services are rendered and a contracted position is secured.
- Other operating income is recognised when received.

f. Government grants

Government grants that compensate the Council for expenses incurred are recognised as revenue in the statement of profit or loss and other comprehensive income on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Council for the cost of an asset are regarded as deferred income and credited to the statement of profit or loss and other comprehensive income on a straight-line basis over the same period in which the related assets are depreciated.

g. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Current tax liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for a period.

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

g. Income tax-continued

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are generally recognised for all temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (taxable temporary differences). Deferred tax assets are generally recognised for all temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (deductible temporary differences)—but only to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

h. Related parties

A party is considered to be related to the Council if:

1. A person or a close member of that person's family is related to the Council if that person:
 - (i) has control or joint control over the Council;
 - (ii) has significant influence over the Council; or
 - (iii) is a member of the key management personnel of the Council;
2. An entity is related to the Council if any of the following conditions applies:
 - (i) The entity and the Council are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or of a member of the Council of which the other entity is a member).
 - (iii) Both entities are joint ventures of a third entity.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Council or an entity related to the Council. If the Council is itself such a plan, the sponsoring employers are also related to the plan.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1).
 - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

i. Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

j. Employee benefits

Long Service Payment

Provision for long service payments is recognised for the best estimate of the long service payments that are required to be made to the employees of the Council in respect of their services to date less any amounts that would be expected to be net out of the Council's retirement schemes,

Annual Leave Payment

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made by the Council for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Retirement Benefit Costs

The Council operates a defined contribution Mandatory Provident Fund retirement benefits scheme in Hong Kong (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The Council's employer contributions vest fully with the employees when contributed into the MPF Scheme.

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

k. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Council. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease

l. Trade and other receivables

Most income are made on the basis of normal terms and the receivables do not bear interest. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

m. Accounts payable and accruals

Accounts payable and accruals are obligations on the basis of normal terms and do not bear interest.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of Assets

The impairment of assets is based on the directors' best estimate to the expected recoverable amounts of the assets that would be determined by reference to fair value less costs to sell and value in use estimated using the discounted cash flow method. Because of inherent risks associated with the estimations, their accuracy may affect profit or loss.

Useful lives of property, plant and equipment

The management determines the estimated useful lives and related depreciation charges for its property, plant and equipment with a carrying amount of HK\$11,815,490 (2025: HK\$17,673,975). The estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

5. INCOME

a. Training course and examination income

Training course and examination income includes the course fees charged for the tour escort certificate course and examination, the tourist guide training course and examination and other training courses.

b. Membership fee income

	<u>2026</u>	<u>2025</u>
	HK\$	HK\$
Membership subscriptions	1,379,500	1,476,800
New member application fee	28,000	10,000
	<u>1,407,500</u>	<u>1,486,800</u>

6. BANK INTEREST INCOME

Bank interest income in the statement of profit or loss and other comprehensive income represents:

	<u>2026</u>	<u>2025</u>
	HK\$	HK\$
Bank interest income - deposits	<u>160,609</u>	<u>323,367</u>

7. SERVICE INCOME FROM GOVERNMENT PROJECTS

	<u>2026</u>	<u>2025</u>
	HK\$	HK\$
Pilot Information Technology Development Matching Fund Scheme for Travel Agents	-	1,680,000
GreaterGo Platform Enhancement	470,000	-
Hong Kong Industrial Brand Tourism Scheme	715,000	-
Cultural and Heritage Sites Local Tour Incentive Scheme	-	4,250,841
Characteristic Local Travel Incentive Scheme	4,774,000	5,374,500
Allocation of Tourist Quotas for Opening of Sha Tau Kok	225,000	525,000
	<u>6,184,000</u>	<u>11,830,341</u>

8. GOVERNMENT GRANTS

Government grants recognised in the statement of profit or loss represents:

	<u>2026</u>	<u>2025</u>
	HK\$	HK\$
Subsidies for development and enhancement of web-based tourism resource platform	3,909,310	2,846,055
Subsidies for development of electronic learning platform	1,290,119	895,987
Subsidies for website under Pilot Information Development Matching Fund Scheme for Travel Agents	-	162,500
	<u>5,199,429</u>	<u>3,904,542</u>

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

9. DIRECTORS' BENEFIT AND INTEREST

Remuneration of the directors of the Council disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

a. Directors' emoluments

The directors of the Council are not permitted to receive any remuneration or other benefit in money or money's worth pursuant to Clause 6 of the Council's Articles of Association.

Travelling allowances paid or receivable in respect of a person's services as a director of the Council pursuant to Article 55(4) of the Council's Articles of Association:

	<u>2026</u> HK\$	<u>2025</u> HK\$
Mr. Tam Kwong Shun Tommy and Mrs. HSU Wong, Gianna	<u>96,000</u>	<u>96,000</u>

- b. The directors of the Council are not permitted to receive any retirement and termination benefits paid pursuant to Clause 6 of the Articles of Association of the Council during the year (2025: Nil).
- c. There were no loans, quasi-loans and other dealings in favour of directors, their controlled bodies corporate and their connected entities made during the year (2025: Nil).
- d. The directors were of the opinion that no transaction, arrangements and contracts 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 and the previous year (2025: Nil).

10. SURPLUS BEFORE TAXATION

Surplus before taxation is arrived at after charging:

	<u>2026</u> HK\$	<u>2025</u> HK\$
Auditor's remuneration	35,000	35,000
Depreciation	5,920,485	4,359,741
Depreciation – Right of use Asset	-	229,205
Director's travelling allowances	96,000	96,000
Defined contribution retirement benefits schemes	337,306	491,952
Interest expenses: Lease interest expense	-	12,150
Key management personnel	3,011,745	3,076,095
Provision for severance and long service payment	50,000	20,000

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

11. INCOME TAX CREDIT

	2026 HK\$	2025 HK\$
Current tax	-	219
Deferred tax (Note 21)	-	9,067
	<u>-</u>	<u>9,286</u>

Hong Kong profit tax has not been provided as the estimated assessable profits arising in Hong Kong during the year is less than the accumulated tax losses brought forward (2025: Nil)

The Council has not recognised deferred tax assets in respect of unused tax losses of \$19,445,409 (2025: \$24,450,916) and there is no expiry date for these items.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold land	Furniture and fixtures	Office equipment and computers	Tourism resource platform	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
COST						
1.7.2025	13,182,783	13,182,783	2,202,163	743,242	11,768,620	41,079,591
Additions	-	-	-	62,000	-	62,000
Disposal	-	-	-	-	-	-
At 30.6.2026	<u>13,182,783</u>	<u>13,182,783</u>	<u>2,202,163</u>	<u>805,242</u>	<u>11,768,620</u>	<u>41,141,591</u>
ACCUMULATED DEPRECIATION						
1.7.2025	12,751,238	3,270,903	343,568	430,597	6,609,310	23,405,616
Charge for the year	47,951	99,118	440,169	173,937	5,159,310	5,920,485
Written back on disposal	-	-	-	-	-	-
At 30.6.2026	<u>12,799,189</u>	<u>3,370,021</u>	<u>783,737</u>	<u>604,534</u>	<u>11,768,620</u>	<u>29,326,101</u>
NET BOOK VALUE						
At 30.6.2026	<u>383,594</u>	<u>9,812,762</u>	<u>1,418,426</u>	<u>200,708</u>	<u>-</u>	<u>11,815,490</u>
At 30.6.2025	<u>431,545</u>	<u>9,911,880</u>	<u>1,858,595</u>	<u>312,645</u>	<u>5,159,310</u>	<u>17,673,975</u>

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

13. WEB-BASED TOURISM RESOURCE PLATFORM FUNDING

The Government of the Hong Kong Special Administrative Region (HKSAR) committed a funding of HK\$10,000,000 to support the Council to enhance the existing web-based tourism resource platform about Belt and Road related countries and regions and the Guangdong-Hong Kong-Macao Greater Bay Area cities, so as to provide relevant information about and facilitate the trade's development of more tourism products. Grants that compensated the Council for expenses incurred are recognised as revenue in the statement of profit or loss and other comprehensive income in the same period in which the expenses are incurred. The relevant funding amounts were shown respectively under current assets and current liabilities in accordance with HKAS 1. Interest income therefrom is accrued to the balances with the funding.

The development cost of the platform was capitalized as assets, and amortized over its estimated useful life from 1 January 2024.

14. GREEN LIFESTYLE LOCAL TOUR INCENTIVE SCHEME

The Government of the HKSAR launched the Green Lifestyle Local Tour Incentive Scheme ("GLIS") in January 2020 to provide cash incentives for travel agents based on the number of green lifestyle local tour participants they serve, with the maximum number of eligible tour participants per travel agent being 1,000 in Phase I (20 January 2020 to 31 March 2022); 1,000 in Phase II (21 April 2022 to 30 November 2022) and additional 1,000 in Phase II (1 December 2022 to 20 April 2023), which was announced on 28 October 2022. The Council was engaged by the Government on 17 January 2020 to administer the GLIS in accordance with the terms of implementation, including holding bank deposits in trust for the Government in accordance with the Agreement of the Provision of Services for Implementation of Green Lifestyle Local Tour Incentive Scheme between the two parties. The amounts were shown respectively under current assets and current liabilities in accordance with HKAS 1. Interest income therefrom is accrued to the balances with the GLIS.

The Council is responsible for (i) overall planning of the GLIS; (ii) receiving and processing the applications; (iii) assessing the eligibility of the applications; (iv) approving the applications; and (v) disbursing the grant to successful applicants. Applications are reviewed by designated staff according to the conditions for exemption of local tours under the group gathering restrictions and those for providing cash incentives under the GLIS. Recommendations on approval or disapproval are submitted together with a detailed report to the Government for endorsement on a monthly basis. The Government will allocate from the total funding for the GLIS as an implementation fee for supporting part of TIC's administrative overheads in its implementation of the GLIS.

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

15. PILOT INFORMATION TECHNOLOGY DEVELOPMENT MATCHING FUND SCHEME FOR TRAVEL AGENTS

The Government of the HKSAR allocated a funding of HK\$40,000,000 in two instalments for the Pilot Information Technology Development Matching Fund Scheme for Travel Agents (“Pilot Scheme”), which aims to support the small- and medium-sized travel agents in utilising and developing information technology for business development on a matching basis. The Council was engaged on 27 June 2016 to administer the Pilot Scheme in accordance with the terms of implementation, including holding bank deposits in trust for the Government in accordance with the Agreement for the Provision of Services for Implementation of Pilot Information Technology Development Matching Fund Scheme for Travel Agents between the two parties. The amounts were shown respectively under current assets and current liabilities in accordance with HKAS 1. Interest income therefrom is accrued to the balances with the Pilot Scheme.

The Council is responsible for overall planning; management and coordination of the Pilot Scheme; and disbursing the grant to successful applicants. A Vetting Committee has been set up to (i) consider and approve applications for Grants; (ii) provide advice and suggestions to the Council in relation to the criteria and procedures of application, the vetting criteria, and the terms and conditions of Grants. Applications are screened according to the conditions for Grants under the Pilot Scheme by designated staff, before submission to the Vetting Committee for consideration. The Council is also responsible for monitoring the progress of the approved projects, conducting random site inspections and examining documents submitted by the applicants before disbursing the Grants. Part of the total funding of the Pilot Scheme is allocated to the Council for (i) engaging additional staff for implementing the Pilot Scheme and exploring further means to foster adoption of information technology by the travel trade; and (ii) revamping the official website of the Council for the purpose of fostering adoption of information technology by the travel trade.

The development cost of the revamped official website is capitalized as assets, and amortized over its estimated useful life from 1 January 2022.

16. TRAVEL INDUSTRY TRAINING FUND

The Government of the HKSAR allocated HK\$5,000,000 to support the training of members of the travel industry through the Council to enhance service quality of the industry in the Government Budget for 2017/2018. A Travel Industry Training Fund (“Training Fund”), which is administrated by the Council, was thus established. The Council was engaged to administer the Training Programme Subsidy Scheme (“Training Scheme”) under the Training Fund on 16 October 2017 in accordance with the terms of implementation, including holding bank deposits in trust for the Government in accordance with the Travel Industry Training Fund Agreement between the two parties. The amounts were shown respectively under current assets and current liabilities in accordance with HKAS 1. Interest income therefrom is accrued to the balances with the Training Fund.

The Council is responsible for overall planning, management and coordination of the Training Scheme; and disbursing the grant to successful applicant organisations. A Vetting Committee has been set up to (i) consider and approve applications for grants by eligible organisations; (ii) provide advice and suggestions to the Council in relation to the criteria and procedures of application, the vetting criteria, and the terms and conditions of Grants. Applications are screened by designated staff according to the conditions for Grants under the Training Scheme before submitting to the Vetting Committee for consideration. The Council is also responsible for examining documents submitted by the applicant organisations before disbursing the Grants.

HK\$2,000,000 from the Government Budget for 2019/2020 earmarked for enhancing the industry training and service quality was injected into the Training Scheme. To assist tourist guides in

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

16. TRAVEL INDUSTRY TRAINING FUND - CONTINUED

countering the austere economic environment and enhance their service quality, the ambit of the Training Scheme was expanded in October 2019 to subsidise tourist guides in completing the Continuing Professional Development Scheme (CPD Scheme) for tourist guides for renewing their Tourist Guide Passes. The Council is responsible for (i) receiving and processing the applications; (ii) assessing the eligibility of the applications; (iii) approving the applications; and (iv) disbursing the grants to successful applicants. This part of the Training Scheme was last until 31 October 2022.

In July 2023, the Government extended the scope of the Scheme for the Council to organise visits for Hong Kong's tourism industry to Belt and Road related countries and regions and Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities.

Additional funding of HK\$4,000,000 and \$1,535,000 were injected into the fund in March 2024 and March 2025 respectively, and coverage of the visits to be organised is expanded to include mainland cities beyond Greater Bay Area cities.

17. TRAVEL AGENTS INCENTIVE SCHEME (OUTBOUND)

The Government of the HKSAR launched the Travel Agents Incentive Scheme ("TAIS") in November 2019 to provide cash incentives for travel agents based on the number of outbound and inbound overnight travellers they serve, with the maximum number of eligible outbound and inbound travellers per travel agent being 1,000. The Council was engaged by the Government on 15 November 2019 to administer the TAIS in respect of outbound travellers in accordance with the terms of implementation, including holding bank deposits in trust for the Government in accordance with the Agreement of the Provision of Services for Implementation of Travel Agents Incentive Scheme between the two parties. The amounts were shown respectively under current assets and current liabilities in accordance with HKAS 1. Interest income therefrom is accrued to the balances with the Travel Agents Incentive Scheme.

The Council is responsible for (i) overall planning of the TAIS (outbound); (ii) receiving and processing the applications; (iii) assessing the eligibility of the applications; (iv) approving the applications; and (v) disbursing the grant to successful applicants. Applications are reviewed by designated staff according to the conditions for providing cash incentives under the TAIS.

18. TRAINING ENHANCEMENT FOR TRAVEL INDUSTRY

To enhance the service quality of the tourism industry, the Financial Secretary announced in the Budget Speech for 2020-21 the earmarking of HK\$4 million to provide funding support for the Council to enhance the training of the travel industry including development of e-learning.

The Council is responsible for implementing the training enhancement through the development of an online training platform and conduct of training activities.

The development of e-learning platform started in February 2022 and the development cost of the platform was capitalized as assets, and amortized over its estimated useful life from 1 January 2024. Grants that compensated the Council for expenses incurred are recognised as revenue in the statement of profit or loss and other comprehensive income in the same period in which the expenses are incurred. The relevant funding amounts were shown respectively under current assets and current liabilities in accordance with HKAS 1. Interest income therefrom is accrued to the balances with the funding.

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

19. CULTURAL AND HERITAGE SITES LOCAL TOUR INCENTIVE SCHEME

The Government of the HKSAR launched the Cultural and Heritage Sites Local Tour Incentive Scheme ("CHIS") in October 2022 to provide cash incentives for travel agents based on the number of cultural and heritage sites local tour participants they serve, with the maximum number of eligible tour participants per travel agent being 1,000 for basic version tours and 200 for advanced version tours in Phase I (20 October 2022 to 31 October 2023). The Council was engaged by the Government to administer the CHIS in accordance with the terms of implementation, including holding bank deposits in trust for the Government in accordance with the Agreement of the Provision of Services for Implementation of Cultural and Heritage Sites Local Tour Incentive Scheme between the two parties. The amounts were shown respectively under current assets and current liabilities in accordance with HKAS 1. Interest income therefrom is accrued to the balances with the CHIS.

The Council is responsible for (i) overall planning of the CHIS; (ii) receiving and processing the applications; (iii) assessing the eligibility of the applications; (iv) approving the applications; (v) disbursing the grant to successful applicants and (vi) organising a competition and a publication campaign for selecting signatory cultural and heritage itineraries. Applications are reviewed by designated staff according to the conditions for providing cash incentives under the CHIS. Recommendations on approval or disapproval are submitted together with a detailed report to the Government for endorsement on a monthly basis. The Government will allocate from the total funding for the CHIS as an implementation fee for supporting part of TIC's administrative overheads in its implementation of the CHIS.

20. CHARACTERISTIC LOCAL TRAVEL INCENTIVE SCHEME

The Government of the HKSAR launched the Characteristic Local Tourism Incentive Scheme ("CTIS") in October 2023 as part of its 2023 Policy Address, to provide cash incentives for travel agents based on the number of characteristic local tour participants they serve. The maximum number of eligible tour participants per travel agent being 200 for in-depth tours and 200 for thematic tours in Phase I (1 January 2024 to 30 June 2024). The Council was engaged by the Government to administer the CTIS in accordance with the terms of implementation, including holding bank deposits in trust for the Government in accordance with the Agreement of the Provision of Services for Implementation of Characteristic Local Tour Incentive Scheme between the two parties. The amounts were shown respectively under current assets and current liabilities in accordance with HKAS 1. Interest income therefrom is accrued to the balances with the CTIS.

The Council is responsible for (i) overall planning of the CTIS; (ii) receiving and processing the applications; (iii) assessing the eligibility of the applications; (iv) approving the applications; (v) disbursing the grant to successful applicants. Applications are reviewed by designated staff according to the conditions for providing cash incentives under the CTIS. Recommendations on approval or disapproval are submitted together with a detailed report to the Government for endorsement on a monthly basis. The Government will allocate from the total funding for the CTIS as an implementation fee for supporting part of TIC's administrative overheads in its implementation of the CTIS.

TRAVEL INDUSTRY COUNCIL OF HONG KONG

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2026

21. DEFERRED TAX LIABILITIES

The following are deferred tax liabilities recognised by the Council:

	<u>Total</u> HK\$
1 July 2024	9,067
Charge to profit or loss for the year	<u>(9,067)</u>
1 July 2025	-
Credit to profit or loss for the year	<u>-</u>
30 June 2026	<u>-</u>

22. ACCUMULATED FUND

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

Every member of the Council undertakes to contribute to the assets of the Council in the event of its being wound up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the Council contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding HK\$100 in aggregate.

23. APPROVAL AND ISSUE OF FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorised for issue by the Directors on 8 October 2026.