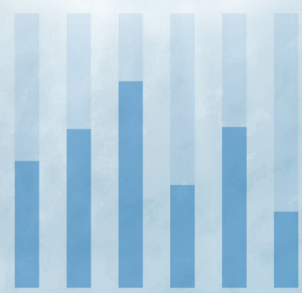


# FINANCIAL STATEMENTS





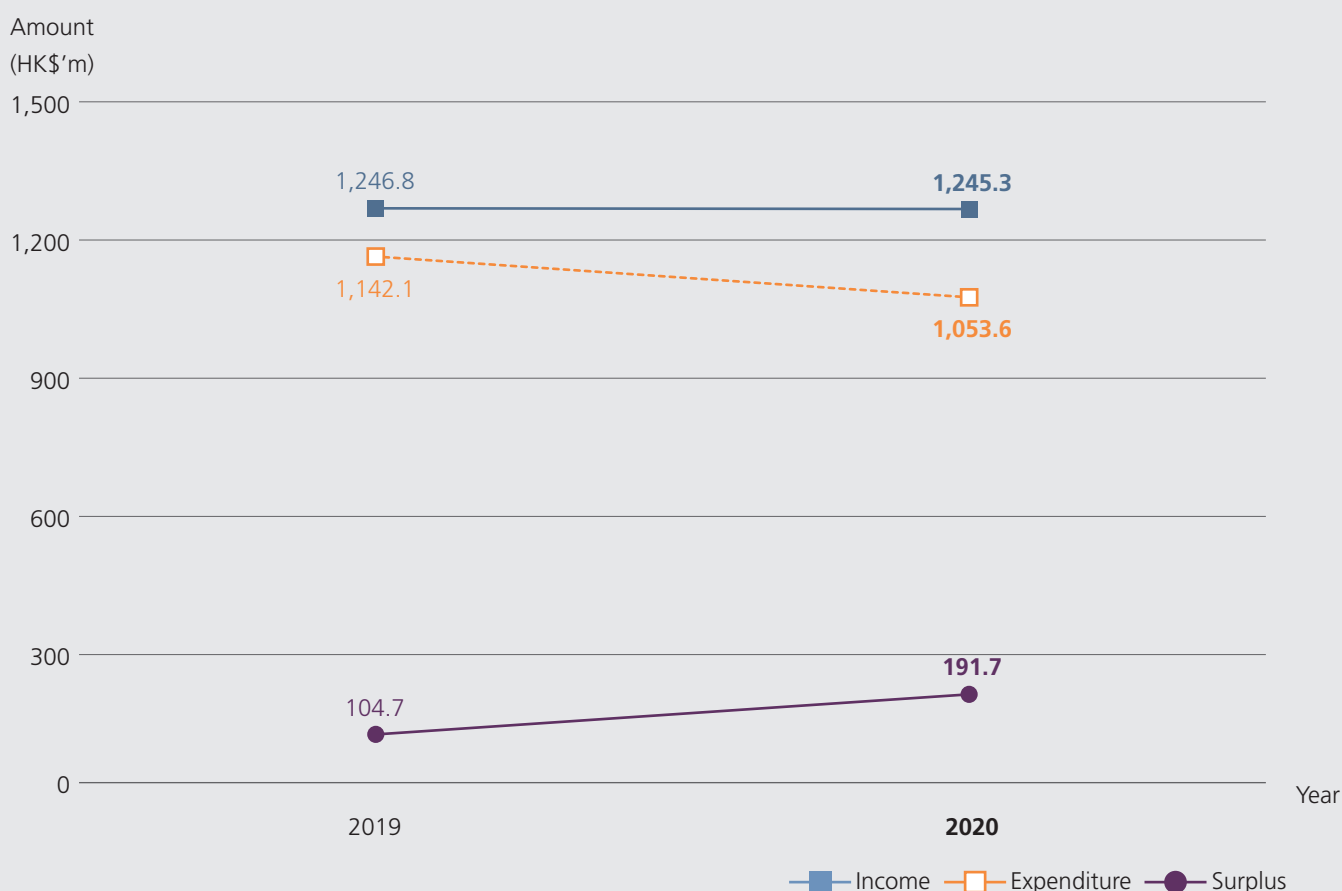
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## HIGHLIGHTS OF AUDITED FINANCIAL STATEMENTS FOR 2020

Based on the consolidated financial results for the year ended 31 December 2020, total income of CIC Group was \$1,245.26 million (2019: \$1,246.79 million), a slight decline of \$1.53 million or 0.1% against last year. Total expenditure for 2020 was reduced by \$88.56 million or 7.8% to \$1,053.58 million (2019: \$1,142.14 million). The operating results for 2020 recorded a surplus of \$191.68 million (2019: \$104.65 million).

### CIC Income, Expenditure & Surplus for Year 2019 and 2020



Total income of CIC in 2020 was \$1,245.26 million, a slight decline of \$1.53 million or 0.1% against \$1,246.79 million in 2019.

Levy income increased to \$1,134.64 million in 2020 (2019: \$1,103.16 million) and contributed 91.1% (2019: 88.5%) of total income. The 2.9% year-on-year increase in levy income in 2020 was mainly caused by the increase in civil engineering infrastructure works in public sector. Total levy assessed on the value of construction operations in the private and public sectors amounted to \$573.45 million (2019: \$604.11 million) and \$560.70 million (2019: \$498.26 million) respectively, representing 50.5% (2019: 54.8%) and 49.4% (2019: 45.2%) of total levy income. In addition, penalty on overdue levy amounted to \$0.49 million in 2020 (2019: \$0.79 million).

Course fee and related income decreased to \$16.39 million in 2020 (2019: \$27.95 million) with lower income from safety courses and part-time courses.

Workers registration fee income for 2020 decreased marginally to \$7.61 million (2019: \$7.91 million) due to fluctuations in the actual number of workers registration applications and amortisation effect of income from previous years.

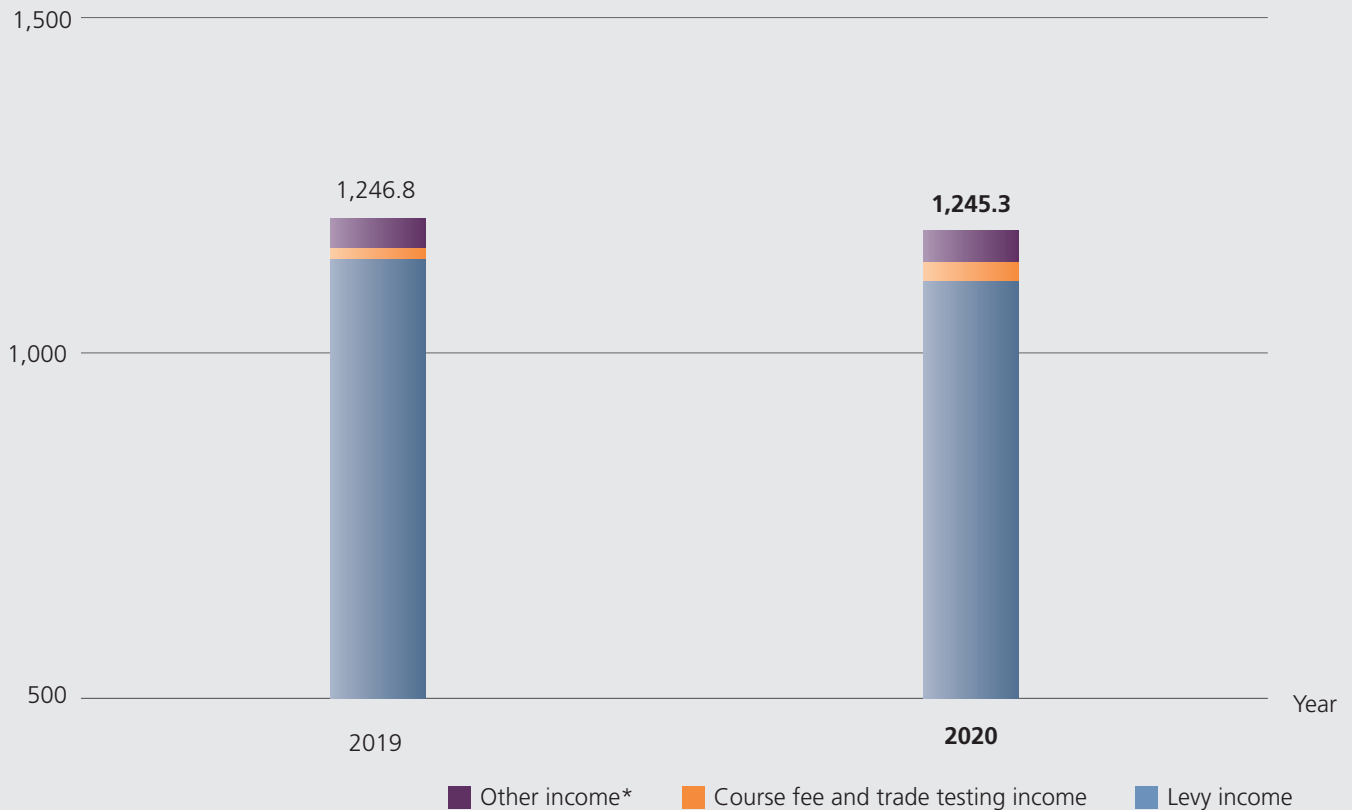
Trade testing income for 2020 declined to \$5.00 million (2019: \$7.10 million) primarily due to the decline in the number of trade test applications during COVID-19 pandemic in 2020 as compared with 2019.

Investment and interest income for 2020 amounted to \$38.47 million (2019: \$54.88 million). The decrease in investment and interest income was mainly due to lower interest rates on time deposits.

Other income of \$43.15 million in 2020 (2019: \$45.80 million) comprised the reimbursement income of trainees' allowances from the Government under the Advanced Construction Manpower Training Scheme (ACMTS) and the Investing in Construction Manpower Scheme (ICMS) and other miscellaneous income. The decrease in other income in 2020 was mainly due to the booth rental income from Construction Innovation Expo 2019 in the previous year.

### CIC Income for Year 2019 and 2020

Amount  
(HK\$'m)



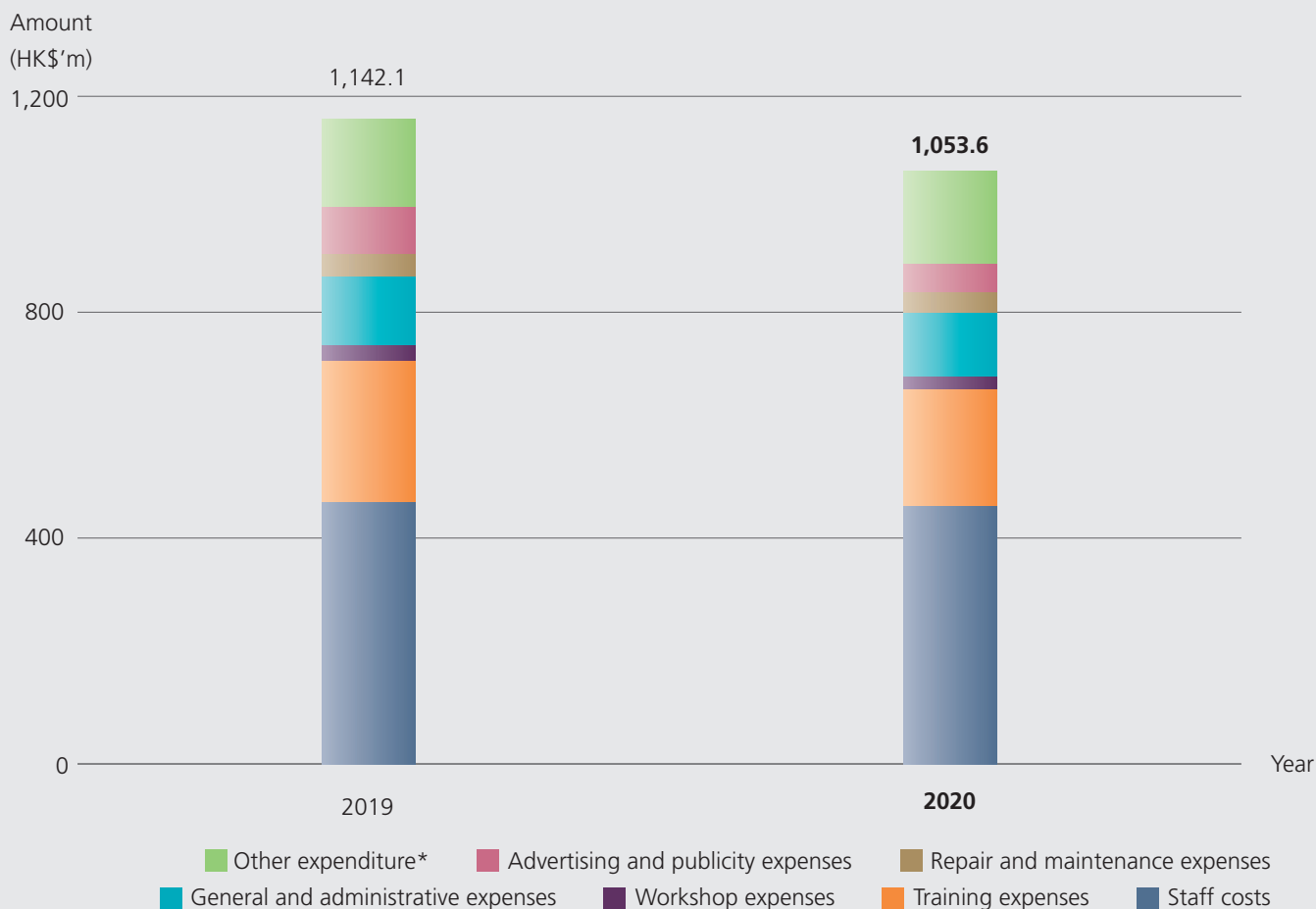
\* Other income in the above bar chart includes registration fee income from sub-contractors, investment and interest income, reimbursement of trainees' allowances and other miscellaneous income.



## HIGHLIGHTS OF AUDITED FINANCIAL STATEMENTS FOR 2020

Total expenditure of CIC in 2020 was \$1,053.58 million, a decrease of \$88.56 million or 7.8% against the \$1,142.14 million in 2019.

### CIC Expenditure for Year 2019 and 2020



\* Other expenditure includes depreciation and amortisation, impairment loss on levy receivables.

- (a) Staff costs amounted to \$455.15 million in 2020 (2019: \$463.45 million). The decrease of 1.8% was mainly due to lower salaries and wages of temporary instructing staff for Hong Kong Institute of Construction.
- (b) Training expenses amounted to \$207.25 million in 2020 (2019: \$249.14 million), a decrease of 16.8%. The decrease was mainly due to decline in training expenses for Enhanced Construction Manpower Training Scheme (ECMTS) and Collaborative Training Schemes, and lower subsidy for Diploma in Vocational Education. It was partly offset by the increase in training expenses for the Apprenticeship Scheme.
- (c) Workshop expenses dropped by 23.0% to \$22.17 million in 2020 (2019: \$28.81 million) mainly due to the lower expenditure on consumable materials and tools, restoration of trade test venues, electricity, as consistent with the decline in the number of students for in-house training and the number of trade test applications in 2020.

- (d) General and administrative expenses amounted to \$113.81 million in 2020 (2019: \$120.63 million). The 5.7% decrease in 2020 was mainly due to decrease in consultancy and professional fees, research and studies expenses, printing expenses, and lower funding support to Hong Kong Green Building Council Limited. It was partly offset by higher security expenses, and sanitation and cleaning expenses for anti-epidemic measures for COVID-19.
- (e) Repair and maintenance expenses amounted to \$39.69 million in 2020 (2019: \$39.74 million). The slight decline was due to lower maintenance expenses on computer equipment and software partly offset by higher expenses on other general repair and maintenance.
- (f) Advertising and publicity expenses decreased by 39.6% to \$50.45 million in 2020 (2019: \$83.46 million) mainly due to the expenditure on Construction Innovation Expo 2019 in prior year, lower expenditure on events for Construction Industry Sports and Volunteering Programme and decrease in publicity activities under COVID-19 pandemic.
- (g) Depreciation and amortisation amounted to \$165.04 million in 2020 (2019: \$157.38 million). The year-on-year increase of 4.9% was caused by the capital expenditure completed in 2020, including renovation works for Hong Kong Construction Industry Trade Testing Centre, and full-year effect of depreciation for capital expenditure completed in 2019, including renovation works of Kwai Chung Campus and CIC-Zero Carbon Park.
- (h) Capital commitments decreased by 66.1% to \$223.61 million in 2020 (2019: \$658.91 million). They comprised contracted capital expenditure mainly for consultancy, renovation and uplifting works at HKIC campuses, and preparation works for development of new campus at Tai Po, provision of IT development and support services, and the Modular Integrated Construction demonstration project at CIC-Zero Carbon Park.

As at 31 December 2020, the Council held a total of \$3,161.68 million as accumulated fund and reserves, compared with \$2,980.06 million as at 31 December 2019.