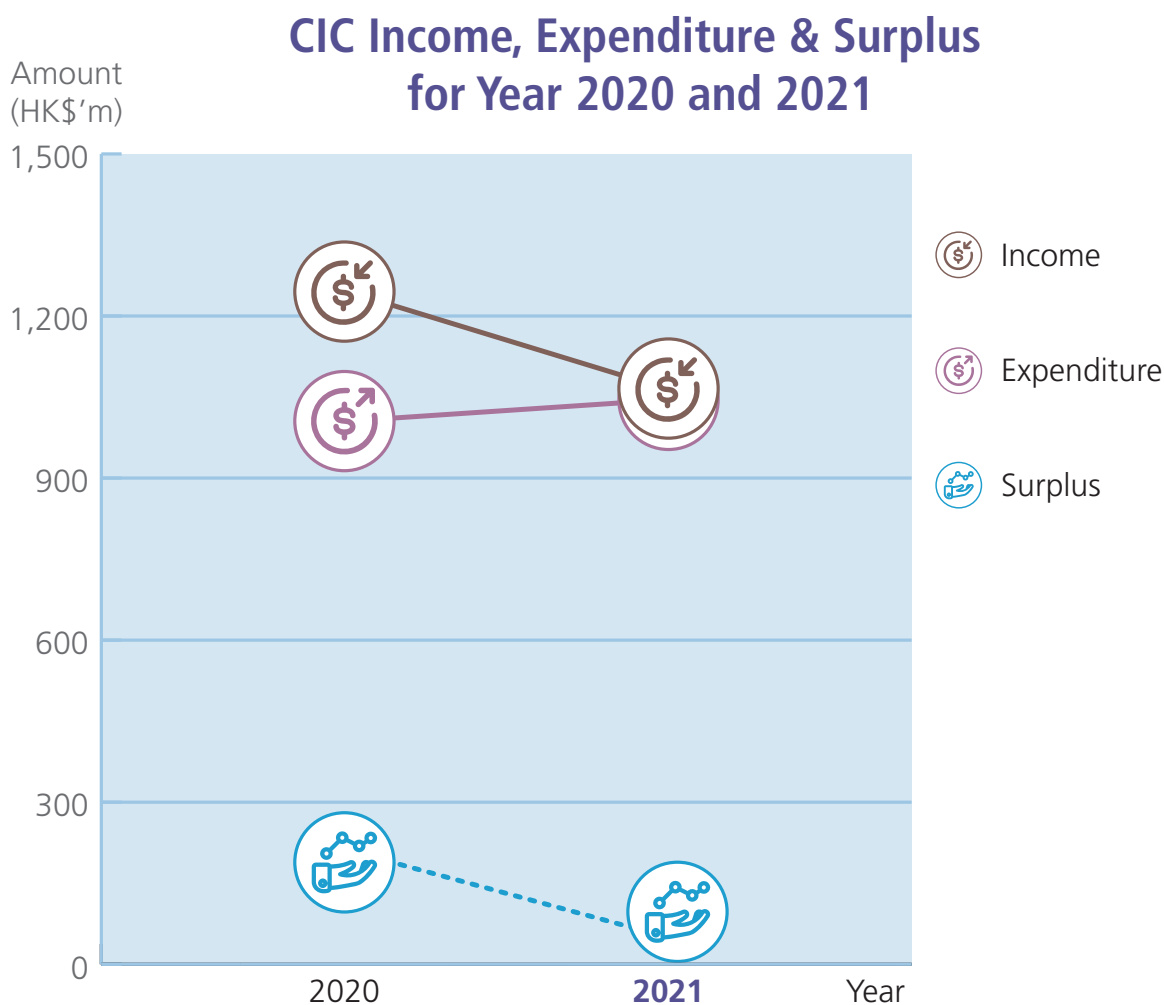
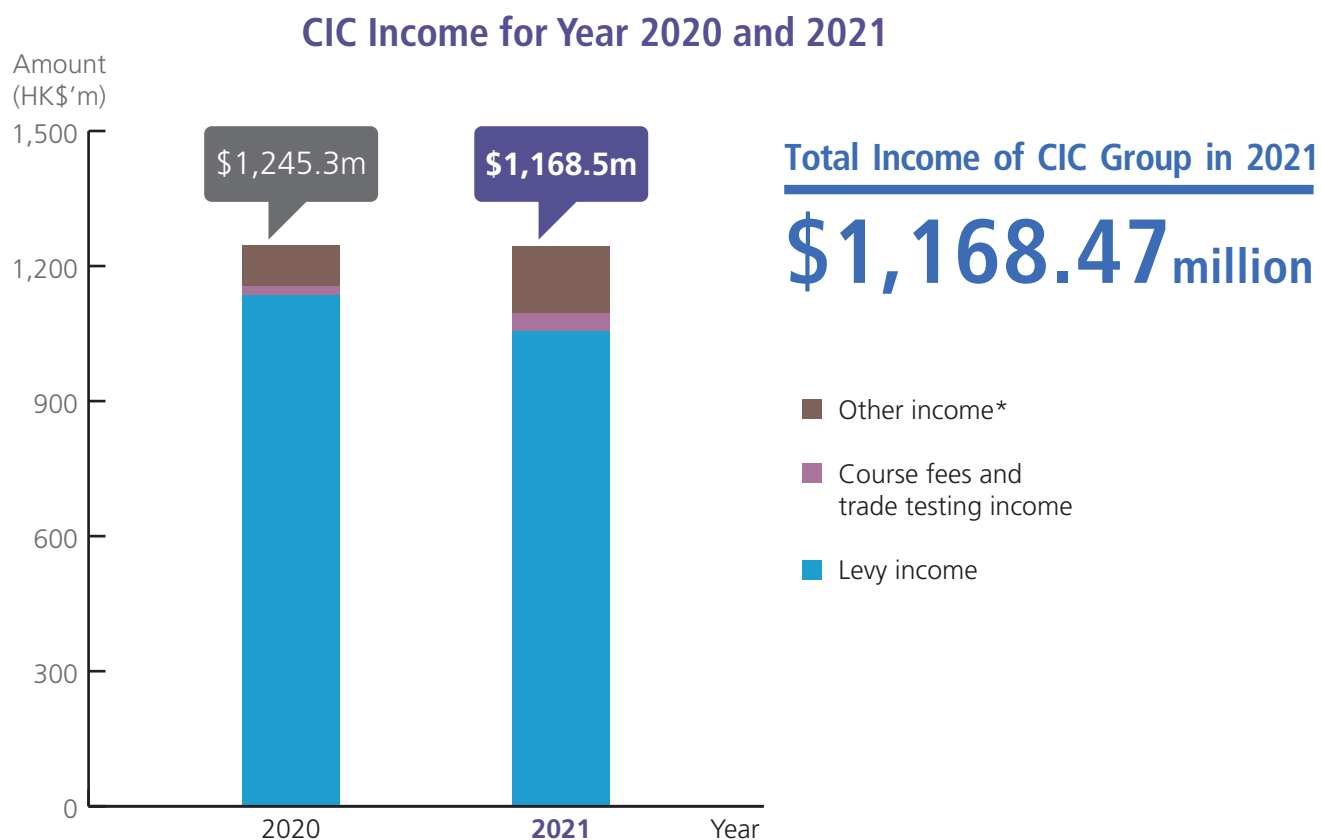


HIGHLIGHTS OF AUDITED FINANCIAL STATEMENTS FOR 2021

Highlight of the audited financial statements of the CIC Group

Based on the audited consolidated financial results for the year ended 31 December 2021, total income of CIC Group was \$1,168.47 million (2020: \$1,245.26 million), a decline of \$76.79 million or 6.2% against last year. Total expenditure for 2021 was increased by \$90.22 million or 8.6% to \$1,143.80 million (2020: \$1,053.58 million). The operating results for 2021 recorded a surplus of \$24.67 million (2020: \$191.68 million).





* 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.

Total income of CIC in 2021 was \$1,168.47 million, a decline of \$76.79 million or 6.2% against \$1,245.26 million in 2020.

Levy income decreased to \$1,056.12 million in 2021 (2020: \$1,134.64 million) and contributed 90.4% (2020: 91.1%) of total income. The 6.9% year-on-year decrease in levy income in 2021 was mainly caused by the decrease in building works in private sector. Total levy assessed on the value of construction operations in the private and public sectors amounted to \$491.92 million (2020: \$573.45 million) and \$563.30 million (2020: \$560.70 million) respectively, representing 46.6% (2020: 50.5%) and 53.3% (2020: 49.4%) of total levy income. In addition, penalty on overdue levy and surcharge amounted to \$0.82 million (2020: \$0.49 million) and \$0.08 million in 2021 (2020: nil) respectively.

Workers registration fee income for 2021 decreased to \$5.49 million (2020: \$7.61 million) due to amortisation effect of income from previous years.

Course fees and related income increased to \$33.04 million in 2021 (2020: \$16.39 million) with higher income from part-time courses.

Trade testing income for 2021 increased to \$5.29 million (2020: \$5.00 million) primarily due to the increase in the number of trade test conducted in 2021.

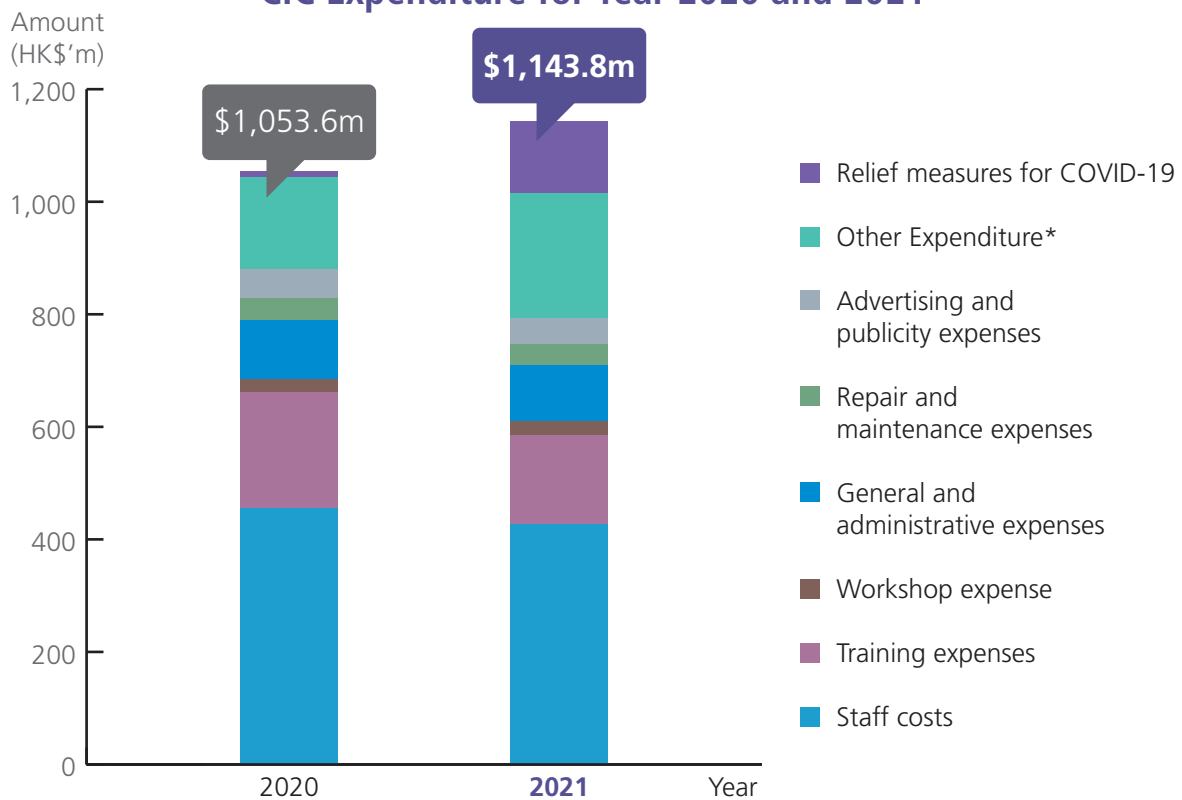
Investment and interest income for 2021 declined to \$14.79 million (2020: \$38.47 million). The decrease in investment and interest income was mainly due to lower interest rates on time deposits.

Other income of \$53.74 million in 2021 (2020: \$43.15 million) comprised of the reimbursement income of trainees' allowances from the Government under various schemes, including the Construction Industry Council Approved Technical Talents Training Programme (CICATP), In-service General Workers Upskill Courses, the Advanced Construction Manpower Training Scheme (ACMTS) and other schemes, as well as other miscellaneous income. The increase in other income in 2021 was mainly contributed by increase in reimbursement from CICATP, Intermediate Tradesman Collaborative Training Scheme, In-service General Workers Upskill Courses and Urban Forestry Support Fund – Trainee Programme, which were partly offset by decrease in reimbursement from ACMTS.

Total expenditure of CIC in 2021

\$1,143.80million

CIC Expenditure for Year 2020 and 2021



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

Total expenditure of CIC in 2021 was \$1,143.80 million, an increase of \$90.22 million or 8.6% against \$1,053.58 million in 2020.



Staff costs amounted to \$428.07 million in 2021 (2020: \$455.15 million). The decrease of 6.0% was mainly due to staff movement.

Training expenses amounted to \$157.01 million in 2021 (2020: \$207.25 million), a decrease of 24.2%. Accrual for trainees' allowances and trainers' subsidies of collaborative training programs were reviewed and adjusted in 2021 that led to decline in training expenses. Other decrease was mainly due to lower spending from ACMTS.

Workshop expenses increased by 8.4% to \$24.03 million in 2021 (2020: \$22.17 million) mainly due to the higher expenditure on consumable materials and tools, electricity, and personal protective equipment in 2021. They were partly offset by the decrease in restoration of trade test venues and other expenses.

General and administrative expenses amounted to \$100.67 million in 2021 (2020: \$104.85 million). The 4.0% decrease in 2021 was mainly due to decrease in research and studies expenses and lower funding support to Hong Kong Green Building Council. They were partly offset by higher consultancy and professional fees and other expenses.

Repair and maintenance expenses amounted to \$36.44 million in 2021 (2020: \$39.69 million). The 8.2% decline was mainly due to lower maintenance expenses on training grounds and building premises and landscape area. They were partly offset by higher other repair and maintenance expenses.

Advertising and publicity expenses decreased by 8.4% to \$46.23 million in 2021 (2020: \$50.45 million) mainly due to the expenditure on activities of 45th Anniversary of Construction Training in Hong Kong and Anti-epidemic Fund in prior year, and rescheduling of World Skill Competition to 2022.

Depreciation and amortisation amounted to \$223.84 million in 2021 (2020: \$165.04 million). The year-on-year increase of 35.6% was caused by the capital expenditure completed in 2021, mainly for campuses uplifting project for Hong Kong Institute of Construction.

Relief measures for COVID-19 increased by 1,311.0% to \$126.35 million in 2021 (2020: \$8.96 million) mainly due to CIC Relief Fund, Construction Industry COVID-19 Testing Service Scheme (CITS) expenses, Caring Campaign and other relief measure spending for COVID-19.

As at 31 December 2021, the Council held a total of \$3,185.95 million as accumulated fund and reserves, compared with \$3,161.68 million as at 31 December 2020.