

Travel Agents Registry revokes Travel Agent Licence of Smart Holiday

Travel Agents Registry (the Registry) announced today (January 8) that the Travel Agent Licence of the GTG International Travel Limited (Licence No. 353135) (the Smart Holiday) was revoked in accordance with section 19(1)(c) of the Travel Agents Ordinance (the TAO) on January 8, 2013.

The Registry has also activated the application mechanism of the Travel Industry Compensation Fund (TICF) to facilitate affected travellers, who are eligible for ex-gratia payment under the Travel Industry Compensation Fund (Amount of Ex-gratia Payments and Financial Penalty) Rules, to apply for ex-gratia payment, which shall be 90% of the outbound fare.

The Registry today summoned the existing shareholders, directors and the receiver and the manager of the Smart Holiday according to section 21 and section 22 of the TAO for an investigation into the progress of their financial and organisational restructure plan as well as application for renewal of travel agent licence. The receiver and the manager confirmed at the investigation hearing that they would cease injecting new funds to support the daily operation of the Smart Holiday.

After the investigation, the Smart Holiday was found heavily in debts as well as in serious business and financial difficulties. It was unable to convince the Registrar that the company was capable of carrying on travel agency business in the public interests. Its licence was hence revoked by the Registrar.

The receiver and the manager of the Smart Holiday indicated that its head office located at Cheung Sha Wan would be in operation until January 13 in order to handle customers' inquiries and related arrangements on distribution of payment receipts, whereas the other retail branches would cease operation.

The Registry reminds the affected travellers of the Smart Holiday to keep the original receipts, which should be duly franked with the levy stamp so as to facilitate their applications for the ex-gratia payment from TICF.

Travellers who wish to apply for ex-gratia payment must provide the duly stamped original receipts. Affected travellers may make inquiries to the hotline of the Travel Industry Compensation Fund Management Board (Tel.: 3151 7945) or the hotline of the Travel Industry Council (Tel.: 2969 8188). Telephone recording would be

available outside the normal office hours (Saturdays, Sundays, public holidays and any time before 9am and after 6pm on weekdays) and related staff would contact the telephone inquirers on the next working day.

The Registry would closely monitor the follow-up arrangements made by the Smart Holiday and would accept ex-gratia payment applications made by the affected travellers. The Registry would render all practicable assistance to the travellers with a view to minimising the adverse impacts on them.

According to the receiver and the manager, the number of affected travellers as at today was around 1,900 involving around \$2.80 million tour fees.

The Registry has been making close surveillance on the business and financial situation of the Smart Holiday during the past few months and summoned the shareholders and directors of the company on December 6 and December 10, 2012 respectively according to section 21 and section 22 of the TAO to investigate into its business and financial situation, and evaluate the progress of its financial and organisational restructure plan. The receiver and the manager pledged on these occasions that they would provide funds to support the daily operation of the company during the financial and organisational restructuring period.

The Registrar, after considering the business and financial information submitted and the commitments made by the receiver and the manager on fund injection and provision of further business and financial information, granted to the Smart Holiday a one-month travel agent licence to facilitate its financial and organisational restructure plan, including the reduction of branch offices to curtail operating costs. The company had closed down three retail branches located at Sheung Wan, Tai Po and Tuen Mun from January 1, 2013.

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