



Hong Kong Examinations and  
Assessment Authority

香港考試及評核局

31 August 2013

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## Independent auditor's report to the Council of Hong Kong Examinations and Assessment Authority

We have audited the financial statements of the Hong Kong Examinations and Assessment Authority (the "Authority") set out on pages 3 to 25, which comprise the balance sheet as at 31 August 2013, the statement of comprehensive income, statement of changes in reserves and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### *The Authority's responsibility for the financial statements*

The Authority is responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 11 of the Hong Kong Examinations and Assessment Authority Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authority, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independent auditor's report to the Council of  
Hong Kong Examinations and Assessment Authority  
(continued)

*Opinion*

In our opinion, the financial statements give a true and fair view of the state of the Authority's affairs as at 31 August 2013 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

*Use of report*

This report is intended solely for the information of, and use by, the Council of the Authority for submission to the Chief Executive pursuant to section 11 of the Hong Kong Examinations and Assessment Authority Ordinance and is not intended for any other purpose. This report should not be disclosed, referred to or quoted in whole or in part without our prior written consent.

Certified Public Accountants

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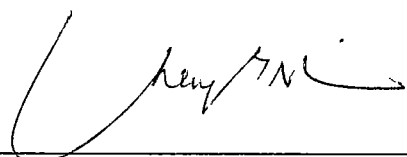
12 DEC 2013

## Balance sheet at 31 August 2013

(Expressed in Hong Kong dollars)

	Note	2013	2012
<b>Non-current asset</b>			
Fixed assets	3	\$ 82,981,280	\$ 95,672,279
<b>Current assets</b>			
Inventories	4	\$ 619,681	\$ 276,002
Prepayments, sundry deposits and receivables	5	85,855,376	57,922,018
Cash and bank deposits	6	301,192,654	280,591,970
		\$ 387,667,711	\$ 338,789,990
<b>Current liabilities</b>			
Accounts payable and accruals	7	\$ 173,047,345	\$ 180,552,854
Receipts in advance	8	908,436	548,900
Deferred government grants	9(a)	23,328,563	22,777,111
		197,284,344	203,878,865
<b>Net current assets</b>		\$ 190,383,367	\$ 134,911,125
<b>Total assets less current liabilities</b>		\$ 273,364,647	\$ 230,583,404
<b>Non-current liability</b>			
Deferred government grants	9(a)	43,487,762	61,494,679
<b>Net assets</b>		\$ 229,876,885	\$ 169,088,725
Representing:			
<b>Accumulated surpluses</b>		\$ 229,876,885	\$ 169,088,725

Approved and authorised for issue on behalf of the  
Hong Kong Examinations and Assessment Authority



Chairman  
Hong Kong, 12 DEC 2013

The notes on pages 7 to 25 form part of these financial statements.

Statement of comprehensive income  
for the year ended 31 August 2013  
(Expressed in Hong Kong dollars)

	Note	2013	2012
<b>Income</b>			
Hong Kong Diploma of Secondary Education Examination	\$ 243,106,695	\$ 214,001,538	
Hong Kong Advanced Level Examination	8,173,295	113,458,067	
Hong Kong Certificate of Education Examination	-	6,130	
International and professional and other local examinations	87,968,927	82,960,399	
Basic Competency Assessment	94,517,000	70,815,367	
Sale of publications	12,718,978	8,698,759	
Government grants	9(a) 85,563,577	102,130,187	
Interest income	1,142,877	1,068,210	
Sundry income	10,472,303	7,459,193	
		<u>\$ 543,663,652</u>	<u>\$ 600,597,850</u>
<b>Expenditure</b>			
Staff costs	11(a) \$ 231,219,455	\$ 238,168,285	
Examination personnel expenses	100,893,587	131,403,834	
Administrative and other operating expenses	120,836,577	134,669,416	
Depreciation	29,925,873	32,466,894	
		<u>482,875,492</u>	<u>536,708,429</u>
<b>Surplus and total comprehensive income for the year</b>	11	<u>\$ 60,788,160</u>	<u>\$ 63,889,421</u>

The notes on pages 7 to 25 form part of these financial statements.

Statement of changes in reserves  
for the year ended 31 August 2013  
(Expressed in Hong Kong dollars)

	<i>Accumulated surpluses</i>
<b>At 1 September 2011</b>	\$ 105,199,304
Surplus and total comprehensive income for the year	<u>63,889,421</u>
<b>At 31 August 2012</b>	<u>\$ 169,088,725</u>
<b>At 1 September 2012</b>	\$ 169,088,725
Surplus and total comprehensive income for the year	<u>60,788,160</u>
<b>At 31 August 2013</b>	<u>\$ 229,876,885</u>

The notes on pages 7 to 25 form part of these financial statements.

Cash flow statement  
for the year ended 31 August 2013  
(Expressed in Hong Kong dollars)

	Note	2013	2012
<b>Operating activities</b>			
Surplus for the year		\$ 60,788,160	\$ 63,889,421
Adjustments for:			
Depreciation		29,925,873	32,466,894
Interest income		(1,142,877)	(1,068,210)
Loss on disposal of fixed assets		<u>2,119,551</u>	<u>16,946</u>
<b>Surplus before changes in working capital</b>		<b>\$ 91,690,707</b>	<b>\$ 95,305,051</b>
(Increase)/decrease in inventories		(343,679)	139,117
(Increase)/decrease in prepayments, sundry deposits and receivables		(28,107,955)	58,452,598
Increase in accounts payable and accruals		316,078	19,999,186
Increase in receipts in advance		359,536	296,700
Decrease in deferred government grants		<u>(17,455,465)</u>	<u>(14,916,444)</u>
<b>Net cash generated from operating activities</b>		<b>\$ 46,459,222</b>	<b>\$ 159,276,208</b>
<b>Investing activities</b>			
Payment for purchase of fixed assets		\$ (27,176,012)	\$ (21,979,466)
Decrease/(increase) in bank deposits with maturity over three months at acquisition		8,045,124	(16,817,878)
Interest received		<u>1,317,474</u>	<u>844,266</u>
<b>Net cash used in investing activities</b>		<b>\$ (17,813,414)</b>	<b>\$ (37,953,078)</b>
<b>Net increase in cash and cash equivalents</b>		<b>\$ 28,645,808</b>	<b>\$ 121,323,130</b>
<b>Cash and cash equivalents at 1 September</b>		<u>205,046,846</u>	<u>83,723,716</u>
<b>Cash and cash equivalents at 31 August</b>	6	<u>\$ 233,692,654</u>	<u>\$ 205,046,846</u>

The notes on pages 7 to 25 form part of these financial statements.



## Notes to the financial statements

(Expressed in Hong Kong dollars)

### 1 The Authority

The Hong Kong Examinations and Assessment Authority (the "Authority") is an independent self-financing statutory body established under the Hong Kong Examinations and Assessment Authority Ordinance (Chapter 261). The principal activity of the Authority is to conduct the Hong Kong Advanced Level Examination and the Hong Kong Diploma of Secondary Education Examination ("HKDSE Examination").

### 2 Significant accounting policies

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by the Authority is set out below.

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Authority. However, none of these developments are relevant to the Authority's financial statements.

The Authority has not applied any new standard or new Interpretation that is not yet effective for the current accounting period (see note 17).

#### (b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## 2 Significant accounting policies (continued)

### (c) Fixed assets

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of fixed assets, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Leasehold improvements	Over the remaining period of the lease
- Furniture, fixtures and equipment	5 years
- Computer equipment	5 years
- Motor vehicles	5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

The carrying amounts of fixed assets are reviewed for indications of impairment at each balance sheet date. An impairment loss is recognised in the statement of comprehensive income to the extent that the carrying amount of an asset, or the cash-generating unit to which it belongs, is more than its recoverable amount. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the statement of comprehensive income on the date of retirement or disposal.

### (d) Inventories

Stocks purchased for use or resale are carried at the lower of cost and net realisable value.

Publications printed by the Authority are stated at the cost of paper consumed.

## 2 Significant accounting policies (continued)

### (e) *Account and other receivables*

Account and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the effect of discounting would be immaterial. In such case, the receivables are stated at cost less allowance for impairment of doubtful debts.

Impairment losses for bad and doubtful debts are recognised when there is objective evidence of impairment and are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset's original effective interest rate where the effect of discounting is material.

### (f) *Account and other payables*

Account and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### (g) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks, having been within three months of maturity at acquisition.

### (h) *Provisions and contingent liabilities*

Provisions are recognised for liabilities of uncertain timing or amount when the Authority has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

## 2 Significant accounting policies (continued)

### (i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provide it is probable that the economic benefits will flow to the Authority and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive income as follows:

#### (i) Examination fees income

Examination fees are recognised as income on completion of the respective examinations and, in the case of examinations conducted for international and professional and other local examination bodies, are stated net of remittances to those examination bodies.

#### (ii) Income from Basic Competency Assessment

Income from Basic Competency Assessment is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimate total contract costs for the contract.

#### (iii) Interest income

Interest income is recognised as it accrues using the effective interest method.

#### (iv) Sale of publications

Revenue arising from the sale of publications is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time of cash receipt for retail sales or the time of delivery for wholesale sales.

#### (v) Government grants

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the Authority will comply with the conditions attaching to them. Grants that compensate the Authority for expenses incurred are recognised as revenue in the statement of comprehensive income on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Authority for the cost of an asset are recognised in the statement of comprehensive income as revenue on a systematic basis over the useful life of the asset.

## 2 Significant accounting policies (continued)

### (j) *Employee benefits*

- (i) Salaries, contract gratuity and paid annual leave are accrued in the year in which the associated services are rendered by employees.
- (ii) The Authority operates a defined contribution retirement benefit scheme registered under the Hong Kong Occupational Retirement Schemes Ordinance, the assets of which are held separately from those of the Authority. The Authority's contributions under the retirement benefit scheme are charged to the statement of comprehensive income as incurred. Administrative expenses of the retirement benefit scheme are borne by the scheme members.
- (iii) In addition, the Authority operates a basic Mandatory Provident Fund Scheme ("MPF scheme") and a top-up MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The basic MPF scheme is for employees not covered by the defined contribution retirement benefit scheme mentioned above. The top-up MPF scheme is for employees previously covered by the defined contribution retirement benefit scheme mentioned above but opt to transfer to this top-up MPF scheme. Both MPF schemes are defined contribution retirement schemes administered by independent trustees. Contributions to the MPF schemes are recognised as an expense in the statement of comprehensive income as incurred.

Under the basic MPF scheme, the Authority and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$25,000.

Under the top-up MPF scheme, the Authority is required to make contributions to the scheme at 15% of the employees' base salary or 5% of the employees' relevant income, whichever is higher. The employees are required to make contributions to the scheme at 5% of base salary or 5% of relevant income, whichever is higher.

### (k) *Translation of foreign currencies*

Foreign currency transactions during the year are translated into Hong Kong dollars at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in the statement of comprehensive income.

## 2 Significant accounting policies (continued)

### (l) Operating lease charges

Where the Authority has the use of assets held under operating leases, payments made under the leases are charged to the statement of comprehensive income in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting periods in which they are incurred.

### (m) Related parties

- (a) A person, or a close member of that person's family, is related to the Authority if that person:
  - (i) has control or joint control over the Authority;
  - (ii) has significant influence over the Authority; or
  - (iii) is a member of the key management personnel of the Authority.
- (b) An entity is related to the Authority if any of the following conditions applies:
  - (i) The entity and the Authority 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 an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (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 Authority or an entity related to the Authority.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(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).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 3 Fixed assets

	<i>Leasehold improvements</i>	<i>Furniture, fixtures and equipment</i>	<i>Computer equipment</i>	<i>Motor vehicle</i>	<i>Total</i>
<b>Cost:</b>					
At 1 September 2011	\$ 87,265,752	\$ 13,921,550	\$ 131,645,788	\$ 279,428	\$ 233,112,518
Additions	9,324,934	2,526,665	11,162,046	-	23,013,645
Disposals	(6,325,987)	(189,018)	(207,731)	-	(6,722,736)
At 31 August 2012	<u>\$ 90,264,699</u>	<u>\$ 16,259,197</u>	<u>\$ 142,600,103</u>	<u>\$ 279,428</u>	<u>\$ 249,403,427</u>
At 1 September 2012	\$ 90,264,699	\$ 16,259,197	\$ 142,600,103	\$ 279,428	\$ 249,403,427
Additions	2,201,232	1,143,062	16,010,131	-	19,354,425
Disposals	(3,130,351)	(1,531,571)	(304,804)	-	(4,966,726)
At 31 August 2013	<u>\$ 89,335,580</u>	<u>\$ 15,870,688</u>	<u>\$ 158,305,430</u>	<u>\$ 279,428</u>	<u>\$ 263,791,126</u>
<b>Accumulated depreciation:</b>					
At 1 September 2011	\$ 46,734,927	\$ 9,989,622	\$ 70,994,010	\$ 251,485	\$ 127,970,044
Charge for the year	9,676,586	1,986,387	20,775,978	27,943	32,466,894
Written back on disposal	(6,325,987)	(180,494)	(199,309)	-	(6,705,790)
At 31 August 2012	<u>\$ 50,085,526</u>	<u>\$ 11,795,515</u>	<u>\$ 91,570,679</u>	<u>\$ 279,428</u>	<u>\$ 153,731,148</u>
At 1 September 2012	\$ 50,085,526	\$ 11,795,515	\$ 91,570,679	\$ 279,428	\$ 153,731,148
Charge for the year	9,992,368	1,663,820	18,269,685	-	29,925,873
Written back on disposal	(1,072,184)	(1,480,797)	(294,194)	-	(2,847,175)
At 31 August 2013	<u>\$ 59,005,710</u>	<u>\$ 11,978,538</u>	<u>\$ 109,546,170</u>	<u>\$ 279,428</u>	<u>\$ 180,809,846</u>
<b>Net book value:</b>					
At 31 August 2013	<u>\$ 30,329,870</u>	<u>\$ 3,892,150</u>	<u>\$ 48,759,260</u>	<u>\$ -</u>	<u>\$ 82,981,280</u>
At 31 August 2012	<u>\$ 40,179,173</u>	<u>\$ 4,463,682</u>	<u>\$ 51,029,424</u>	<u>\$ -</u>	<u>\$ 95,672,279</u>

Apart from the above fixed assets, on 25 April 1979, the Authority entered into an agreement with the Government of the Hong Kong Special Administrative Region ("the Government") for Grant by Private Treaty of New Kowloon Inland Lot No. 5774 (formerly the San Po Kong Government Primary School) for a term of 99 years less 3 days with effect from 1 July 1898 and that building has been used as the sub-office of the Authority since then. In March 1992, the lease term was extended to 30 June 2047 at no cost to the Authority.

**4 Inventories**

	2013	2012
Stationery and printing materials	\$ 55,428	\$ 102,034
Publications	<u>564,253</u>	<u>173,968</u>
	<u>\$ 619,681</u>	<u>\$ 276,002</u>

**5 Prepayments, sundry deposits and receivables**

	2013	2012
Amount due from Education Bureau	\$ 65,763,725	\$ 31,500,607
Other receivables	9,556,596	7,164,986
Prepayments and sundry deposits	<u>10,535,055</u>	<u>19,256,425</u>
	<u>\$ 85,855,376</u>	<u>\$ 57,922,018</u>

As at 31 August 2013, an amount of \$2,674,551 (2012: \$2,848,402) included within prepayments and sundry deposits in respect of rental and sundry deposits is expected to be recovered after more than one year. All of the other prepayments, sundry deposits and receivables are expected to be recovered or recognised as expense within one year.

Amount due from Education Bureau and other receivables are normally due immediately from the date of reimbursement claimed. Further details on the Authority's credit policy are set out in note 14(a).

**(a) Impairment of receivables**

Impairment losses in respect of receivables are recorded using an allowance account unless the Authority is satisfied that the probability of recovery is remote, in which case the amount considered irrecoverable is written off against receivables directly.

At 31 August 2013 and 2012, all of the receivables were neither individually nor collectively determined to be impaired.



**5 Prepayments, sundry deposits and receivables (continued)**

**(b) Receivables that are not impaired**

The ageing analysis of amount due from Education Bureau and other receivables that are neither individually nor collectively considered to be impaired are as follows:

	2013	2012
Neither past due nor impaired	\$ 60,985,816	\$ 14,808,769
Less than 1 month past due	\$ 7,462,042	\$ 16,881,100
1 to 3 months past due	6,865,778	6,955,327
Over 3 months past due	6,685	20,397
	<u>\$ 14,334,505</u>	<u>\$ 23,856,824</u>
	<u>\$ 75,320,321</u>	<u>\$ 38,665,593</u>

Receivables that were neither past due nor impaired relate to debtors for whom there was no recent history of default.

Receivables that were past due but not impaired relate to debtors that have a good track record with the Authority. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

**6 Cash and bank deposits**

	2013	2012
Cash and cash equivalents		
- Time deposits with bank with maturity under three months	\$ 101,538,703	\$ 47,102,616
- Cash at bank and in hand	<u>132,153,951</u>	<u>157,944,230</u>
	\$ 233,692,654	\$ 205,046,846
Time deposits with maturity over three months at acquisition	<u>67,500,000</u>	<u>75,545,124</u>
	<u>\$ 301,192,654</u>	<u>\$ 280,591,970</u>

At 31 August 2013, cash and bank deposits amounting to \$70,716,207 (2012: \$55,821,555) were held by the Authority on behalf of certain international and professional examining bodies. The corresponding amounts due to these international and professional examining bodies are included in accounts payable and accruals.

The bank deposits at 31 August 2013 bear interest at rates ranging from 0.96% to 1.25% (2012: 0.2% to 1.15%) per annum.

**7 Accounts payable and accruals**

All accounts payable and accruals are expected to be settled within one year.

**8 Receipts in advance**

Receipts in advance represents school licence fee received in advance and examination fees received in advance of examinations to be conducted after the balance sheet date.

## 9 Deferred government grants

### (a) Deferred government grants are analysed as follows:

	Capital Grants (note (i))	Training Grants (note (ii))	Hong Kong Assessment Centre Grants (note (iii))	HKDSE Exam System Grants (note (iv))	HKDSE Practice Papers Grants (note (v))	Head Quarter Grants (note (vi))	2011 HKCEE and 2013 HKALE Grants (note (vii))	HKDSE Practice Papers for Liberal Studies Grants (note (viii))	Total
At 1 September 2011	\$ 57,645,406	\$ 12,480	\$ 732,909	\$ 37,646,531	\$ 5,536	\$ 3,145,372	\$ -	\$ -	\$ 99,188,234
Add: Grants received and receivable during the year	-	2,633,106	5,051,459	38,629,487	37,812,753	1,375,252	957,921	753,765	87,213,743
Less: Recognised as Government Grant income for the year	(18,712,536)	(2,645,586)	(5,784,368)	(30,937,098)	(37,818,289)	(4,520,624)	(957,921)	(753,765)	(102,130,187)
At 31 August 2012	\$ 38,932,870	\$ -	\$ -	\$ 45,338,920	\$ -	\$ -	\$ -	\$ -	\$ 84,271,790
At 1 September 2012	\$ 38,932,870	\$ -	\$ -	\$ 45,338,920	\$ -	\$ -	\$ -	\$ -	\$ 84,271,790
Add: Grants received and receivable during the year	-	-	7,835,851	27,172,014	-	1,014,512	29,955,610	2,130,125	68,108,112
Less: Recognised as Government Grant income for the year	(12,877,163)	-	(7,835,851)	(31,750,316)	-	(1,014,512)	(29,955,610)	(2,130,125)	(85,563,577)
At 31 August 2013	\$ 26,055,707	\$ -	\$ -	\$ 40,760,618	\$ -	\$ -	\$ -	\$ -	\$ 66,816,325
<b>Amount to be recognised as income:</b>									
<i>At 31 August 2013</i>									
Within one year	\$ 10,809,129	\$ -	\$ -	\$ 12,519,434	\$ -	\$ -	\$ -	\$ -	\$ 23,328,563
After one year	15,246,578	-	-	28,241,184	-	-	-	-	43,487,762
	\$ 26,055,707	\$ -	\$ -	\$ 40,760,618	\$ -	\$ -	\$ -	\$ -	\$ 66,816,325
<i>At 31 August 2012</i>									
Within one year	\$ 13,050,997	\$ -	\$ -	\$ 9,726,114	\$ -	\$ -	\$ -	\$ -	\$ 22,777,111
After one year	25,881,873	-	-	35,612,806	-	-	-	-	61,494,679
	\$ 38,932,870	\$ -	\$ -	\$ 45,338,920	\$ -	\$ -	\$ -	\$ -	\$ 84,271,790

9 Deferred government grants (continued)

(b) Particulars of the expenditure in relation to the income recognised during the year are as follows:

	Capital Grants (note (i))	Training Grants (note (ii))	Hong Kong Assessment Centre Grants (note (iii))	HKDSE Exam System Grants (note (iv))	HKDSE Practice Papers Grants (note (v))	Head Quarter Grants (note (vi))	2011 HKCEE and 2013 HKALE Grants (note (vii))	HKDSE Practice Papers for Liberal Studies Grants (note (viii))	Total
<b>2013</b>									
Staff costs	\$ -	\$ -	\$ -	\$ 18,397,256	\$ -	\$ -	\$ 22,970,236	\$ 1,326,241	\$ 42,693,733
Examination personnel expenses	-	-	-	-	-	-	4,613,256	125,876	4,739,132
Depreciation on fixed assets funded by									
Government Grants	12,877,163	-	-	10,856,632	-	-	357,680	-	24,091,475
Operating lease charges and rates	-	-	7,568,851	-	-	-	-	-	7,568,851
Overhead	-	-	-	-	-	-	7,077,678	491,568	7,569,246
Miscellaneous expenses	-	-	267,000	2,496,428	-	1,014,512	10,586,155	186,440	14,550,535
Less: Expenditure borne by the Authority from HKALE income	-	-	-	-	-	-	(15,649,395)	-	(15,649,395)
	<u>\$ 12,877,163</u>	<u>\$ -</u>	<u>\$ 7,835,851</u>	<u>\$ 31,750,316</u>	<u>\$ -</u>	<u>\$ 1,014,512</u>	<u>\$ 29,955,610</u>	<u>\$ 2,130,125</u>	<u>\$ 85,563,577</u>
<b>2012</b>									
Staff costs	\$ -	\$ 1,493,270	\$ -	\$ 14,477,252	\$ 16,276,012	\$ -	\$ -	\$ 579,820	\$ 32,826,354
Training expenses	-	590,860	-	-	-	-	-	-	590,860
Examination personnel expenses	-	226,714	-	-	2,527,539	-	-	-	2,754,253
Depreciation on fixed assets funded by									
Government Grants	18,712,536	-	-	8,857,300	-	-	-	-	27,569,836
Operating lease charges and rates	-	-	5,415,668	-	-	-	-	-	5,415,668
Overhead	-	-	-	-	8,732,350	-	-	173,945	8,906,295
Miscellaneous expenses	-	334,742	368,700	7,602,546	10,282,388	4,520,624	-	-	23,109,000
	<u>\$ 18,712,536</u>	<u>\$ 2,645,586</u>	<u>\$ 5,784,368</u>	<u>\$ 30,937,098</u>	<u>\$ 37,818,289</u>	<u>\$ 4,520,624</u>	<u>\$ -</u>	<u>\$ 753,765</u>	<u>\$ 101,172,266</u>

## 9 Deferred government grants (continued)

Notes:

### (i) Capital Grants

On 30 June 2006, the Authority entered into an agreement with the Government titled "Grant to support the modernisation and development of the examination systems of the Hong Kong Examinations and Assessment Authority", which provides a maximum Government funding commitment to the Authority of \$198,870,000. The purpose of the Capital Grants is to provide financial resources, on a reimbursement basis, for the Authority to implement improvement measures to modernise and develop its examination systems in order to meet current and future needs and community expectations during the period from 3 December 2005 to 31 March 2011.

### (ii) Training Grants

On 9 November 2006, the Authority entered into a consultancy agreement with the Government in relation to subject-specific training on school-based assessment. The Authority is responsible for carrying out a consultancy study and implementing a project to design, organise and conduct training courses for 12,000 secondary school teachers at about 15 hours of training per New Academic Structure for Senior Secondary Education and Higher Education subject on school-based assessment under the standard-referenced examinations of the Hong Kong Diploma of Secondary Examination. The Government will provide funding to the Authority in respect of the above activities of up to \$31,900,000 on a reimbursement basis for relevant expenses incurred during the period from 25 June 2005 to 28 February 2012.

### (iii) Hong Kong Assessment Centre Grants

On 29 January 2007, the Authority entered into 2 agreements with the Government titled "Grant to the Hong Kong Examinations and Assessment Authority for temporary accommodation of a centralised onscreen marking centre on Hong Kong Island" and "Grant to the Hong Kong Examinations and Assessment Authority for fitting out the temporary onscreen marking centre on Hong Kong Island" respectively (collectively referred to as "the HKAC Grants"). These agreements set out Government funding commitments to the Authority amounting to \$16,000,000 and \$5,900,000 respectively. The purpose of the HKAC Grants is to provide financial resources, on a reimbursement basis, for the Authority to lease temporary office premises (including costs on related fitting out works) to carry out onscreen marking on Hong Kong Island for the period from September 2006 to September 2010.

## 9 Deferred government grants (continued)

Notes: (continued)

### (iii) Hong Kong Assessment Centre Grants (continued)

On 7 March 2011, the Authority entered into another agreement with the Government for establishing and operating the temporary onscreen marking centre on Hong Kong Island. The Government will provide funding to the Authority in respect of the leasing premises of up to \$41,150,000 on a reimbursement basis for relevant rental expenses incurred during the period from 4 December 2010 to 30 November 2015.

### (iv) HKDSE Exam System Grants

On 13 July 2009, the Authority entered into an agreement with the Government titled "Development of the Hong Kong Diploma of Secondary Education ("HKDSE") Examinations System", which provides a maximum Government funding commitment to the Authority of \$152,309,000. The purpose of the HKDSE Exam System Grants is to provide financial resources, on reimbursement basis, for the Authority to develop the HKDSE Examination systems as well as to enhance existing systems hardware and software facilities for the delivery of the new public examination in 2012.

### (v) HKDSE Practice Papers Grants

On 25 November 2009, the Authority entered into an agreement with the Government pursuant to which the Authority is responsible to commission a project which develops sample question papers for students, teachers and schools to get familiar with HKDSE examination in early 2012 and fine-tunes the 2012 HKDSE marking and grading arrangements. The Government will provide funding to the Authority in respect of the above activities of up to \$70,461,000 on a reimbursement basis for relevant expenses incurred for the period from December 2009 to May 2012.

### (vi) Head Quarter Grants

Capital Work Reserve Fund ("CWRF") is provided by the Government to the Authority for financing the feasibility study and design in respect of the construction of headquarter and on screening marking centres. The funding is provided to the Authority on a reimbursement basis of the relevant expenses incurred. No official agreement is entered into between the Government and the Authority.

## **9 Deferred government grants (continued)**

Notes: (continued)

### **(vii) 2011 HKCEE and 2013 HKALE Grants**

On 9 August 2011, the Authority entered into an agreement with the Government titled "Grant for conducting the 2011 Hong Kong Certificate of Education Examination and the 2013 Hong Kong Advanced Level Examination for private candidates", which provides a maximum Government funding commitment of \$41,810,000 and \$48,840,000 respectively to the Authority for subsidising the deficit in operating the 2011 Hong Kong Certificate of Education Examination ("HKCEE") and the 2013 Hong Kong Advanced Level Examination ("HKALE") for private candidates. Any unspent portion from the 2011 HKCEE's approved budget can be used for subsidising the deficit in operating the 2013 HKALE upon the approval from the Government.

### **(viii) HKDSE Practice Papers Grants for Liberal Studies**

On 1 June 2012, the Authority entered into an agreement with the Government pursuant to which the Authority is responsible to commission a project which produce a set of practice papers for Liberal Studies of the HKDSE examination in late 2012 and early 2013 to serve as mock examinations scripts in order to familiarise teachers with the assessment criteria and standards. The Government will provide funding to the Authority in respect of the above activities of up to \$3,000,000 on a reimbursement basis for relevant expenses incurred for the period from June 2012 to May 2013.

## **10 Remuneration of key management personnel**

Key management personnel of the Authority include the members of the Authority Council and its Committees, Secretary General, Deputy Secretary General and functional directors.

Members of the Authority Council and its Committees are not entitled to receive any remuneration, except travelling allowances.

## 10 Remuneration of key management personnel (continued)

The remuneration of the Secretary General, Deputy Secretary General and functional directors is as follows:

	2013	2012
Salaries, allowance and retirement benefits	<u>\$ 11,475,559</u>	<u>\$ 10,870,522</u>

The number of key management personnel who are entitled to receive remuneration and their remuneration fell within the following bands:

	2013 Number	2012 Number
Less than \$500,000	-	-
\$500,001 to \$1,000,000	-	-
\$1,000,001 to \$1,500,000	-	-
\$1,500,001 to \$2,000,000	-	1
\$2,000,001 to \$2,500,000	4	4
\$2,500,001 to \$3,000,000	1	-
	<u>5</u>	<u>5</u>

## 11 Surplus for the year

Surplus for the year is arrived at after charging/(crediting):

	2013	2012
<b>(a) Staff costs</b>		
Contributions to defined contribution retirement plan	\$ 10,515,309	\$ 9,730,851
Salaries, wages and other benefits	<u>220,704,146</u>	<u>228,437,434</u>
	<u>\$ 231,219,455</u>	<u>\$ 238,168,285</u>
<b>(b) Other items</b>		
Auditor's remuneration	\$ 371,600	\$ 347,700
Operating lease charges in respect of:		
- office premises	15,762,439	13,381,334
- examination halls and equipment	10,863,986	11,292,556
Depreciation	29,925,873	32,466,894
Loss on disposal of fixed assets	2,119,551	16,946
Administrative fee charged to Assessment Development and Research Fund (note 16)	<u>-</u>	<u>(1,125,934)</u>



## 12 Taxation

The Authority is exempted from Hong Kong Profits Tax under the provision of Section 88 of the Hong Kong Inland Revenue Ordinance.

## 13 Capital management

The Authority defines capital as its accumulated surpluses as well as grants from the Government. The primary objective of the Authority's capital management is to safeguard the Authority's ability to continue as a going concern and support stable operations of the Authority. The Authority is not subject to any externally imposed requirements.

## 14 Financial risk management and fair values

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Authority's operations. The Authority's exposure to these risks and the financial risk management policies and practices used by the Authority are described below.

### (a) Credit risk

The Authority's credit risk is primarily attributable to bank deposits, prepayments, sundry deposits and receivables. Management has a credit policy in place and exposures to these credit risks are monitored on an ongoing basis.

The Authority places its bank deposits with several listed banks in Hong Kong with high credit ratings to minimise credit risk exposure.

The Authority's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. At the balance sheet date, the Authority has a concentration of credit risk as 96% (2012: 94%) of total receivables was due from the Authority's five largest debtors.

The Authority does not provide any guarantees which would expose the Authority to credit risk.

Further quantitative disclosures in respect of the Authority's exposure to credit risk arising from prepayments, sundry deposits and receivables are set out in note 5.

### (b) Liquidity risk

The Authority's policy is to regularly monitor current and expected liquidity requirements and to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The earliest settlement dates of the Authority's financial liabilities at the balance sheet date are all within one year or on demand and the contractual amounts of all the financial liabilities are equal to their carrying amounts.

## 14 Financial risk management and fair values (continued)

### (c) Interest rate risk

The Authority's exposure to changes in interest rate risk relates primarily to the Authority's bank deposits. In respect of these income-earning financial assets, their interest rates and maturity profile at the balance sheet date are disclosed in note 6.

### (d) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 August 2013 and 2012.

## 15 Commitments

### (a) Capital commitments outstanding at 31 August 2013 not provided for in the financial statements were as follows:

	2013	2012
Contracted for	\$ 200,265	\$ 27,105,397

### (b) At 31 August 2013, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2013	2012
Within 1 year	\$ 13,154,189	\$ 13,134,021
After 1 year but within 5 years	10,497,625	19,626,532
After 5 years	40	52
	<u>\$ 23,651,854</u>	<u>\$ 32,760,605</u>

The Authority leases a number of properties under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the leases when all terms are renegotiated. None of the leases include contingent rentals.

**16 Assessment Development and Research Fund**

During the year ended 31 August 2004, the Government made an one-off grant of \$136,700,000 to the Authority to support its assessment research and development activities. According to the agreement between the Government and the Authority, the Authority should keep separate books and accounts for the grant and should prepare separate financial statements for it, which are subject to a separate audit by the Authority's auditors. This grant is therefore not recorded in the Authority's financial statements.

As the assessment development and research activities of the Assessment Development and Research Fund (the "Fund") have been completed during the year ended 31 August 2012, the Authority no longer charged administrative fee (2012: \$1,125,934) to the Fund to recover expenses incurred on behalf of the Fund.

**17 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 August 2013**

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 August 2013 and which have not been adopted in these financial statements.

The Authority is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Authority's results of operations and financial position.

Detailed supporting schedules  
to the balance sheet at 31 August 2013  
(Expressed in Hong Kong dollars)

Appendix I

	2013	2012
<b>1</b>		
<b>Current assets</b>		
<i>Prepayments, sundry deposits and receivables</i>		
Interest on fixed deposits and savings account to be received	\$ 96,138	\$ 270,735
Service charges and expenses receivable from other examination bodies for the conduct of examinations in Hong Kong	7,894,082	5,409,411
Prepayments and other accounts receivable	8,245,381	17,095,400
Sundry deposits	3,856,050	3,645,865
Amount due from Education Bureau for Basic Competency Assessment	19,783,817	2,858,567
Amount due from Education Bureau for government grants	45,979,908	28,413,962
Amount due from Assessment Development and Research Fund	-	228,078
	<u>\$ 85,855,376</u>	<u>\$ 57,922,018</u>
<b>2</b>		
<b>Current liabilities</b>		
<i>Accounts payable and accruals</i>		
Provision for unutilised annual leave	\$ 27,470,668	\$ 24,161,083
Provision for gratuity payments	19,070,454	20,888,678
Provision for examination personnel expenses	17,557,556	20,020,594
Amount due to The Associated Board of the Royal Schools of Music	67,089,755	66,314,948
Payables to fixed assets suppliers	3,578,259	11,399,846
Other accounts payable and accruals	38,280,653	37,767,705
	<u>\$ 173,047,345</u>	<u>\$ 180,552,854</u>

Detailed supporting schedules  
to the statement of comprehensive income  
for the year ended 31 August 2013  
(Expressed in Hong Kong dollars)

Appendix II

	2013	2012
<b>1 Income</b>		
<b>(a) Hong Kong Certificate of Education Examination</b>		
Supplementary fees	\$ -	\$ 210
Rechecking fees	-	5,920
	<u>\$ -</u>	<u>\$ 6,130</u>
<b>(b) Hong Kong Advanced Level Examination</b>		
Examination fees	\$ 7,548,233	\$ 89,130,367
Supplementary fees	375,104	619,217
Rechecking fees	249,958	23,708,483
	<u>\$ 8,173,295</u>	<u>\$ 113,458,067</u>
<b>(c) Hong Kong Diploma Secondary Education Examination</b>		
Examination fees	\$ 211,677,577	\$ 187,280,629
Supplementary fees	1,260,664	565,069
Rechecking fees	30,168,454	26,155,840
	<u>\$ 243,106,695</u>	<u>\$ 214,001,538</u>
<b>(d) International and professional and other local examinations</b>		
International and professional and other local examinations	\$ 77,525,344	\$ 72,984,551
Language proficiency assessment for teachers	10,443,583	9,975,848
	<u>\$ 87,968,927</u>	<u>\$ 82,960,399</u>

Detailed supporting schedules  
to the statement of comprehensive income  
for the year ended 31 August 2013 (continued)  
(Expressed in Hong Kong dollars)

Appendix II  
(continued)

	2013	2012
<b>2 Expenditure</b>		
<b>(a) Staff costs</b>		
Contract gratuities	\$ 14,762,157	\$ 15,565,197
Education allowances and passages	-	77,144
Medical and dental	7,231,150	6,208,226
Overtime	1,188,105	1,668,053
Contributions to the retirement benefit scheme and the MPF scheme	10,515,309	9,730,851
Salaries and other allowances	184,576,253	187,510,120
Temporary staff	12,946,481	17,408,694
	<u>\$ 231,219,455</u>	<u>\$ 238,168,285</u>
<b>(b) Examination personnel expenses</b>		
Multiple choice item writers	\$ 196,451	\$ 236,941
Moderators/Setters/Examiners	12,956,272	15,123,805
Markers/Oral examiners	70,873,267	97,139,992
Centre supervisors and invigilators	11,207,625	12,048,497
Other examination personnel	5,659,972	6,854,599
	<u>\$ 100,893,587</u>	<u>\$ 131,403,834</u>

Detailed supporting schedules  
to the statement of comprehensive income  
for the year ended 31 August 2013 (continued)  
(Expressed in Hong Kong dollars)

Appendix II  
(continued)

	2013	2012
<b>2 Expenditure (continued)</b>		
<i>(c) Administrative and other operating expenses</i>		
Air-conditioning, electricity and water	\$ 8,028,185	\$ 8,268,160
Audit fee	371,600	347,700
Building maintenance	9,328,372	8,889,133
Computer service and maintenance	14,411,045	17,748,977
Electronic service delivery charges	1,286,400	1,356,209
Examination materials	2,254,145	3,077,533
Furniture and equipment	1,084,168	1,945,745
Hired transport	3,725,971	5,506,220
Insurance	492,072	428,932
Legal and professional fees	5,060,037	7,266,361
Listening test recurrent expenses	518,356	594,114
Miscellaneous	7,316,624	5,225,996
Postage and air freight	1,207,267	1,134,679
Pretest/SBA training courses	97,183	726,661
Printing and stationery	17,690,542	27,608,242
Rent, management fees and rates	22,159,918	18,922,556
Rental of examination halls and equipment	10,863,986	11,292,556
Scanning service charges	5,348,315	6,429,947
Securing services	3,625,279	3,212,958
Staff training and travelling	2,090,390	1,079,033
Staff welfare	340,997	213,783
Telephone, fax and internet charges	1,611,122	2,248,795
Web item production	1,924,603	2,271,060
Administrative costs charged to the Assessment Development and Research Fund	-	(1,125,934)
	<u>\$ 120,836,577</u>	<u>\$ 134,669,416</u>

# **Hong Kong Examinations and Assessment Authority**

## **Report on Activities September 2012 – August 2013**

### **Introduction**

The Year of 2012/2013 is momentous and challenging for the Hong Kong Examinations and Assessment Authority (the Authority). The activities of the year are eventful and fruitful. This report presents the activities of the Authority on two major areas in the financial year ended 31 August 2013, including (i) corporate governance and development & (ii) examinations and assessment, in particular the development work, administration and delivery of the Hong Kong Diploma of Secondary Education (HKDSE) Examination. A list of examinations conducted by the Authority is given in the **Attachment**.

### **Part I Corporate Governance and Development**

- (A) Corporate Information Updates
- (B) Mainland and Overseas Partnership
- (C) General Administration and Finance

### **Part II Examinations and Assessment**

- (A) Development Work, Administration and Delivery of the HKDSE and Hong Kong Advanced Level (HKAL) Examinations
- (B) New Initiatives in Examination Administration and Assessment
- (C) Quality Assurance and Research & Development
- (D) Diversification of Activities (International and Professional Examinations)



## **Part I Corporate Governance and Development**

### **(A) Corporate Information Updates**

#### ***HKDSE Promotion – Stakeholders’ Engagement***

1. Two stakeholder events were held during the year to allow interaction with different stakeholders groups. A special event themed “Commitment for a Better Future” Time Capsule Dedication ceremony was held on 21 September 2012 at the Tsuen Wan Assessment Centre to mark the 35<sup>th</sup> anniversary of the Authority and the completion of the inaugural HKDSE Examination.
2. The Authority held three mini open days in October 2012. More than 100 students, teachers and parents visited the Fortress Hill and Lai King Assessment Centres during the open days and learnt from our staff about the marking process of public examinations.
3. The Authority’s representatives attended information days, seminars and briefing sessions organised by different schools and parents committees, student counseling bodies, and teachers associations to present updates on the HKDSE Examination.

#### ***Promotion of HKDSE Examination to Overseas Institutions***

4. The Authority’s representatives attended a number of education fairs, including the Institute of International Education (IIE) US Education Fair, the British Council Education UK Expo, and the European Higher Education Fair held in Hong Kong to answer questions about the New Academic Structure (NAS) and the performance of candidates.
5. During the year, the Authority continued to reach out to overseas institutions, promoting the value of the HKDSE Examination and keeping them abreast of the acceptance of HKDSE Examination in different countries. By the end of August 2013, 155 overseas/non-local institutions have published their admission requirements for HKDSE Examination holders on the Authority’s website.

#### ***Publications***

6. To ensure availability of critical information about the HKDSE Examination and different policies and services offered by the Authority, the Authority published a number of information leaflets on the HKDSE Examination Applied Learning subjects, onscreen marking (OSM), international and professional examinations, and services to candidates with specific learning disabilities and special needs. Digital versions of these publications are also available on the Authority’s website.

#### ***HKDSE Examination Blog and Mobile App***

7. The Authority continued with the new initiatives, namely HKDSE Examination mobile app and “DSE Express”, to enhance communications with candidates via these new channels. The HKDSE Examination mobile app 2.0 version was launched in

December 2012 and the total number of users of this latest version has reached 25,000 by end of August 2013. For “DSE Express”, over 92,000 unique visitors (blog viewers) were recorded during the year.

#### ***HKEAA E-News and HKDSE Newsletter***

8. During 2012/2013, the Authority published four issues of HKEAA E-News and two issues of the HKDSE Newsletter to keep readers updated on the latest development of the Authority and the HKDSE Examination. The HKEAA E-News has about 5,400 subscribers while the HKDSE Newsletter has about 3,900.

#### ***Media Relations***

9. The Authority implemented a comprehensive communications plan to promote understanding of the HKDSE Examination as well as other examinations and assessment services offered by the Authority. The range of activities including media interviews, press conferences, by lined articles, news releases and a photo call session have increased the public awareness of the standards and administration of the HKDSE Examination, which has in turn helped boost acceptance of the new qualification.
10. Over 300 media enquiries were handled from September 2012 to August 2013. The vast majority of the enquiries (246) received was about the administration of the HKDSE Examination, including the handling of irregularities during the public examinations, marking and grading, examination results and the policy of School-based Assessment (SBA).

### **(B) Mainland and Overseas Partnership**

#### ***Overseas Visits***

11. Two overseas visits were arranged in 2012/2013 to promote the NAS and the HKDSE Examination to British and American universities and higher education institutions. In November 2012, the Authority/Education Bureau (EDB) delegation visited renowned British universities, including University College London, King’s College London, Imperial College London, the University of Warwick, University of Cambridge and University of Oxford. In March 2013, a delegation consisting of Mr Rock Chen, the Chairman of the Authority, and Dr C S Tong, Secretary General, visited the Council of Ontario Universities, the University of Waterloo, Polytechnic Institute of New York University, Cornell Tech in New York City and Teachers College of the Columbia University, the World Education Services and the Institute of International Education in the North America.

#### ***Visits to the Authority***

12. In 2012/2013, the Authority received overseas delegations including The Singapore Examinations and Assessment Board, 101 Primary school delegation from Taipei City, a delegation from Shanghai Hongkou, and Higher Education Office and universities from Macau. The members of the Panel on Education of the Legislative Council paid a visit to the Authority on 8 January 2013.

## **(C) General Administration and Finance**

### ***On-campus Assessment Centres***

13. OSM is implemented for the majority of HKDSE Examination subjects. With the increasing number of onscreen markers, it is necessary to set up more assessment centres in different geographical locations in Hong Kong to further enhance their accessibility to markers. In order to better utilise resources, a collaborative mode of operation i.e. on-campus assessment centres is adopted in establishing new assessment centres in 2012/2013.
14. Two on-campus assessment centres located at Hong Kong Education City in Sha Tin Wai and Sun Kei Secondary School in Tseung Kwan O have been established for 2013 OSM. The Sha Tin Wai Assessment Centre has a total of 92 workstations while the Tseung Kwan O Assessment Centre has 21 workstations. Both Centres adopt a new mode of operation, with assessment areas located at educational institutions or school campuses during OSM period only and manned by staff from the Authority. These two new centres recorded an average utilisation rate of over 90% during the peak OSM period. In view of the successful rollout of the on-campus assessment centres and the closure of Sheung Shui Assessment Centre at the end of August 2013, the Authority plans to launch two to four additional on-campus assessment centres in the 2013/2014 examination cycle.

### ***Renovation of San Po Kong Building***

15. The Authority is proceeding to explore different options in renovating the San Po Kong building. The different plans will cover building defects rectification which must be carried out soon for safety reasons, but will differ in terms of the degree of replacement of aging building services installations, provision of barrier free access for the disabled, and increasing the usable floor area etc. A study will be carried out and the most cost effective plan will be submitted to the Council for consideration.

### ***2013/2014 Budget and 2014 Examination Fees***

16. In May 2013, the Government approved the Authority's 2013/2014 budget and the 2014 HKDSE examination fee which was frozen at the 2013 level. The examination fee was then gazetted in the same month.

### ***Office Automation Technology Upgrade***

17. In view of the end of support for certain computer softwares of the personal computers (PCs) in April 2014, the Authority has initiated to upgrade all existing PCs in October 2012. As of 31 August 2013, about 68% of the PCs have been upgraded to the new platform; and trainings were offered to staff for familiarisation. It is expected to complete the exercise by January 2014.

## **Part II    Examinations and Assessment**

### **(A) Development Work, Administration and Delivery of the HKDSE and HKAL Examinations**

#### ***International Recognition***

18. The Authority met with the expert groups of Universities and Colleges Admissions Service (UCAS) in November 2012 for the completion of the UCAS benchmarking study after the inaugural HKDSE Examination. Further to the benchmarking studies in 2010, the UCAS Board approved a tariff recommendation for level 5\*\* at 145 points for 23 Category A New Senior Secondary (NSS) subjects. The tariff point awarded is slightly higher than that awarded for grade A\* in GCE A level. With specific reference to Mathematics which carries a unique structure comprising the compulsory part and the extended part, a student taking both parts and attaining 5\*\* in each, a tariff of 145 points is also given by adding the 65 tariff points of the compulsory part, and 80 tariff points of the extended part. The tariffs of the core part and the extended part of Mathematics are reported separately as at other levels of attainment in Mathematics in HKDSE Examination. The benchmarking results were promulgated in a press statement released on 18 December 2012. The inclusion of tariff points for level 5\*\* has further enhanced understanding of the standards and value of the HKDSE Examination for progression to tertiary education. As of August 2013, 155 overseas/non-local institutions (in addition to 70 institutions in the Mainland and 148 institutions in Taiwan) have published their admission requirements for HKDSE Examination holders on the Authority's website.
19. A benchmarking study between the HKDSE English Language subject and the International English Language Testing System (IELTS) involving a sample of 400 school candidates was conducted after the 2012 HKDSE Examination. The results have been announced and uploaded onto the Authority's website, and an increasing number of overseas universities are now making reference to the benchmarking study in setting their entrance language requirement, thus facilitating a simplified pathway for overseas study for our HKDSE candidates.

#### ***Provision of Support to Teachers and Students***

20. To facilitate better understanding of the requirements and standards of the examination, briefing sessions on the review of the 2012 examination were held for teachers between September and November 2012. Samples at different levels of performance for all Category A subjects were uploaded to the Authority's website to enable teachers, students and other stakeholders to better understand the standard of the HKDSE Examination.
21. To further support Liberal Studies teachers and students, another set of practice papers for this subject was produced and six training sessions on the development of examination papers and marking guidelines were conducted in late 2012, which were attended by about 900 teachers. Three identical briefing sessions for schools were conducted in January 2013. The requirements of the questions, the marking standards and the general performance of students from 10 pilot schools were shared with

teachers in the briefing sessions. Annotated exemplars of students' performance were uploaded to the Authority's website in February 2013.

### ***Delivery of the 2013 HKDSE Examination***

22. The year of 2013 marks the second administration of the HKDSE Examination. The examinations were conducted smoothly. The candidature for the 2013 HKDSE Examination has increased significantly from 73,074 in 2012 to 82,283. The majority of the candidates were Secondary 6 students who have completed the three-year NSS curriculum. They were presented by 514 schools in Hong Kong. The slight decrease in the number of school candidates had been offset by the increase in the number of private candidates to around 11,100. Over 82,000 admission forms for the 2013 HKDSE Examination were printed in early February 2013. Compared with the 2012 examination, the issuance of admission forms had been advanced by two weeks. Standards maintenance was carried out to ensure that the examination results are comparable across years. The results were released on 15 July 2013 as scheduled.
23. This year, there was a notable examination irregularity in which three cases of plagiarism were detected in the SBA work of three subjects, i.e. Chinese Language, History and Liberal Studies, involving altogether 26 candidates. In particular, the case on plagiarism in the Chinese Language subject involved 23 candidates from separate branches of one school whose SBA work were found to have been totally copied from online sources. After due deliberation at the 8 July 2013 meeting, the Public Examinations Board (PEB) decided to impose the penalty of subject disqualification.
24. Subsequently, seven of the candidates appealed to the Appeal Review Committee (ARC) for a review and at the meeting on the 2 August 2013, the ARC, while expressing grave concern about the seriousness of plagiarism and considered that the penalty of subject disqualification was appropriate in the circumstances, nevertheless ruled that the penalty should be reduced to zero marks in the SBA component of the subject for the sake of consistency in treatment of all plagiarism cases whether reported by schools or uncovered by the Authority. In light of this decision, the PEB held an extraordinary meeting on 12 August 2013 and agreed that for the sake of fairness, the same level of penalty would be applied to all the 26 candidates in all three plagiarism cases. A report detailing the case as well as the follow up review of the SBA guidelines and procedures was submitted to the EDB in early October 2013.

### ***Delivery of the 2013 HKAL Examination***

25. The last round of the HKAL Examination for private candidates was completed satisfactorily with a total of 5,322 candidates entering the examination. With the assistance of schools which provided venues and invigilation staff, the examinations were conducted smoothly. As the 2013 HKAL examinations were taken by private candidates only and due to the very small candidature as compared to previous administrations, the grading methodologies used in the past were no longer applicable this year. Instead, a standards-based grading method was adopted, similar to the one adopted by the 2011 Hong Kong Certificate of Education Examination for private candidates only. Expert panels were set up to grade candidates based on their

performance in the 2013 examination with reference to the grading standards of HKAL examinations in the past five years. Grading meetings were held in late June to early July and the results were released on 30 July 2013 as scheduled.

### ***Review of the NSS Curriculum and Assessment***

26. As a result of the review of the NSS curriculum and assessment, recommendations on changes for improving and fine-tuning the delivery of the NAS were endorsed on 25 February 2013 by the Curriculum Development Council and the PEB of the Authority for implementation in the HKDSE Examination. The proposed changes were communicated to schools and other stakeholders in April 2013.

### ***HKDSE Examination System***

27. In order to improve the functionality and the user-friendliness of the HKDSE Examination System, continuous system enhancements were made on various modules in 2012/2013. A total of 421 enhancement items have been completed for the HKDSE Examination System.
28. For the 2014 HKDSE Examination, a new round of system enhancement and migration works for the pre-examination and post-examination modules has been started. Disaster recovery drill for the HKDSE Examination System was successfully conducted on 24 and 25 August 2013 in preparation for the 2014 HKDSE examination cycle.

#### ***(i) Registration***

29. The June and September registrations for the 2013 HKDSE Examination were successfully completed in July and October 2012 respectively. The June registration covered Category C (Other Languages – November 2012 series) subject examinations while the September registration covered Category A, Category B and Category C (June 2013 series) subject examinations. To familiarise schools with the enhanced registration functions, two briefing sessions were held on 13 September and 18 September 2012 with more than 500 school staff from 388 schools attending. Besides, six workshops were conducted on 19, 21 and 24 September 2012. Other support services including the provision of user manuals, online demonstration, technical support hotline and enquiry service were provided for schools and private candidates.
30. With the collaboration of the EDB, the interface between the WebSAMS and the Registration System was improved to facilitate the registration in September 2012. This enabled schools to transmit the examination entries directly through the Communication & Delivery System in WebSAMS to the HKDSE Registration System. Other major enhancements included group amendment function, relaxation of validation process and a new entry summary report. Private candidates could also submit late entry applications via the Registration System during the amendment period (i.e. 19 November to 7 December 2012) with a view to streamlining the manual input process and handling of cash payment over the counter. The user interface of

the external functions of the Registration System has been revamped to enhance its user-friendliness and functionality for 2014 HKDSE Examination registration.

***(ii) Examination Centre Management (ECM)***

31. In light of the feedback from schools and the experience gained from the 2012 HKDSE Examination, the examination centre sourcing and centre allocation processes for the 2013 HKDSE Examination have been streamlined. The ECM System was enhanced to enable schools to indicate the availability of their school venues and facilities, review the provisional centre usage and confirm the final accommodation arrangements for both written and speaking examinations. In addition, schools could choose the arrangement for collection of questions papers and return of answer scripts as well as updating payment account information.

***(iii) Examination Personnel Management (EPM)***

32. To replace paper-form nomination of examination personnel, a new EPM Online Service was launched on 17 January 2013. Schools could use the system to maintain their examination personnel information, nominate examination personnel and inquire about parking facilities for external invigilators.

***(iv) Results Dissemination (RD) and Application for Rechecking and Remarking (RRA)***

33. The results for the 2013 HKDSE Examination were released on 15 July 2013 for Categories A and B subjects and 21 July 2013 for Category C (June 2013 series) subjects respectively. School principals and private candidates could access the results of Categories A and B subjects and Category C (June 2013 series) subjects via the RD System at 7:00 am on 15 July 2013 and 8:30 am on 21 July 2013 respectively. School candidates who have entered for the Category C (June 2013 series) examination were each given a password to access the Online Results Enquiry Service and view their results online on 21 July 2013 (Sunday).
34. The workflow of the RRA system was revamped to facilitate the processing of Rechecking and Remarking (RR) applications for the 2013 HKDSE Examination. This year, the system only accepted single submission of RR applications from individual schools and private candidates. Candidates had to pay the fee at any 7-Eleven stores within 3 calendar days after the submission of their applications. The user interface became more user-friendly for schools to submit applications for their candidates more efficiently and easily. To facilitate the use of the system, a briefing session on the use of the RD and RRA Systems was arranged for schools on 19 June 2013. Extended helpdesk service was also provided to answer calls directly from schools and private candidates.

***(v) School Information Management***

35. To enhance communication between schools and the Authority, a new School Information Management Online Service was launched on 20 February 2013. In the first phase, schools could make use of the system to update school contact information

and download the school's final entry list for their own candidates. The second phase which was launched in mid September 2013 would enable schools to maintain their user accounts and download the circulars of the Authority and letters directly starting from the 2013/2014 school year.

### ***Application for Special Examination Arrangements (SEA)***

36. School candidates sitting the 2013 and 2014 HKDSE Examinations and private candidates sitting the 2013 HKDSE Examination submitted their applications for SEA in September 2012. In 2012/2013, over 1,400 applications were received which represented an increase of around 60% over the previous year. Among these, the number of candidates who had to sit examinations in their own schools increased drastically. Besides, 24 applications were received from candidates who sat the 2013 HKAL Examination.

## **(B) New Initiatives in Examination Administration and Assessment**

### ***Public Examinations Communication & Support System (PECSS)***

37. The Authority continued to implement new initiatives to enhance the effectiveness and efficiency in the administration of the 2013 examinations. In the 2013 HKAL and HKDSE Examinations, PECSS was implemented in around 400 hall centres of all written examinations, except Advanced (A) Level Visual Arts, Advanced Supplementary (AS) Level Chemistry, AS Level Physics and HKDSE Category C (Other Languages) examinations. The implementation was smooth and the feedback from the examination centres was encouraging. The majority of centre supervisors agreed that the PECSS helped examination centre staff handle examination irregularities in a more efficient way. The PECSS was also piloted in the HKDSE English Language speaking examinations. However, as the senior examiners were always engaged in examination duties at different locations throughout the speaking examinations, PECSS did not serve as an effective means of communication.

### ***Attendance & Script Tracking System (ASTS)***

38. The ASTS was used extensively in 15 A/AS Level and 24 HKDSE Category A subject examinations in hall centres and special rooms in the listening tests of the 2013 HKAL and HKDSE Examinations. Around 2,400 scanners were deployed during the year. To familiarise centre supervisors, invigilators and school IT technicians with the set-up and operation of ASTS, the Authority conducted two briefing sessions and 14 optional training workshops for around 850 invigilation staff and school IT technicians from late February to early March 2013. Positive feedback was received from the participants.

### ***Oral Recording System (ORS)***

39. The ORS was used in all speaking examinations i.e. the AS Level Chinese Language & Culture (CLC), AS Level Use of English (UE), and HKDSE Chinese Language and English Language speaking examinations. Over 10 intensive briefings and training workshops were conducted for around 154 ORS assistants and 75 School ORS



assistants. ORS training provided to oral examiners was incorporated into the oral examiners' meetings for 16 teams of AS Level CLC oral examiners, 42 teams of AS Level UE oral examiners, 207 teams of HKDSE Examination Chinese Language oral examiners and 245 teams of HKDSE Examination English Language oral examiners.

40. As for the Language Proficiency Assessment for Teachers (LPAT) and the Test of Proficiency in Putonghua (TPP), the ORS was implemented as in previous years for the handling of examination irregularities and for remarking purposes.
41. Even though effective preventive measures had been undertaken, the number of incidents leading to re-sit due to technical problems increased slightly in 2013. The number of re-sit cases due to non-recording or incomplete recording was 27 for the HKDSE Examination. A total of seven HKDSE Examination candidates opted for the re-sit in case they wished to apply for remarking of their oral results after the release of results.
42. Feedback from the oral examiners was encouraging. Around 94% of the respondents expressed satisfaction with the various aspects of the ORS including training, technical support and system effectiveness.

#### ***Use of Infra-red Transmission (IR) System in 2013 HKAL/HKDSE Examinations Listening Tests (LTs)***

43. The project on IR system was implemented to improve the quality of broadcast of LTs in school halls with unsatisfactory radio reception. Prior to the installation of the IR system in the school halls, briefing sessions and site visits to schools were conducted to assess the suitability of installation. 20 schools participated in the first phase of the project in the 2009/2010 school year and another 40 schools joined the second phase of installation in 2010/2011 and 2012/2013 school years, making up a total of 60 school halls (for both phases) installed with IR system before the fourth quarter of 2012.
44. A total of 54 school halls installed with the IR system were used for the conduct of the LTs in the 2013 HKDSE Examination and one was used for the HKAL Examination. Training and familiarisation workshops were held for the school IT technicians before the examinations. To achieve the project objective of identifying 67 schools, exploration of additional school halls is in progress and installation of IR systems in more school halls is expected to be arranged before the fourth quarter of 2013.

#### ***Onscreen Marking (OSM)***

45. In the 2013 examinations, OSM was implemented in a total of 43 subjects, including Territory-wide System Assessment (TSA) Chinese Language, English Language and Mathematics for Primary 3, Primary 6 and Secondary 3, and LPAT Putonghua and English Language. Over 15,000 HKAL Examination and 1,148,000 HKDSE Examination answer scripts were marked onscreen, involving about 4,500 teacher markers and over 700 marking assistants. A total of eight HKAL Examination subjects and 24 HKDSE Examination subjects adopted OSM. They were: HKAL Examination Chinese Language & Culture, Chinese History, Chinese Literature, Computer Applications, Geography, Physics, Liberal Studies and Use of English; and

HKDSE Examination Biology, Business, Accounting & Financial Studies, Chemistry, Chinese History, Chinese Language, Chinese Literature, Design & Applied Technology, Economics, English Language, Ethics & Religious Studies, Geography, Health Management & Social Care, History, Information & Communication Technology, Liberal Studies, Literature in English, Mathematics, Music, Physical Education, Physics, Science (Integrated Science / Combined Science), Technology & Living, Tourism & Hospitality Studies, Visual Arts.

46. A new online SBA system has been developed and schools will submit both Secondary 5 and Secondary 6 SBA marks in one go in Secondary 6 starting from the 2014 examination.

#### ***School Feedback Package***

47. The 2012 HKDSE Examination Statistical Report service was launched at the end of the examination year. The reports are tailor-made for individual schools and include the following: an overall results summary at both school and class levels for all subjects; a comparison of the school's statistics on general performance against all day schools; the general performance of the school in the best five subjects compared to that of all day schools; the statistics for eligibility to sub-degree programmes / civil service appointments; the statistics related to university admission; the item analysis for onscreen marked subjects and the multiple-choice item analysis. The statistical reports provide feedback to schools on the strengths and weaknesses of their students and a total of 294 schools ordered the reports.

### **(C) Quality Assurance and Research & Development**

#### ***Quality Assurance***

48. The HKDSE Examination Risk Management Task Force met periodically for the 2013 examination cycle. After the full completion of the first HKDSE Examination in 2012, all risk factors and associated exposure as well as control measures have been reassessed and analysed from the perspective of the 2013 HKDSE Examination. The Task Force shared the view that the second HKDSE Examination was highly critical to the new examination system. To mitigate the major risk factors identified in relation to the HKDSE Examination, the Task Force and the management have been committed to further strengthening the associated systems and processes.
49. A reverse notification mechanism is in place to report and handle departures and exceptions. Checkpoints and milestones have been set up at different critical points of the processes for real-time monitoring purpose by the management. The management also examined and walked through the key processes for the scanning of all scripts before the 2013 HKDSE Examination. In summary, good practices are in place to ensure quality and accuracy, and contingency measures are in place to mitigate known risks.
50. In February 2013, the ISO 9001 external surveillance audit conducted by the certification body, Bureau Veritas Certification Hong Kong Limited, was satisfactorily completed. There was no non-conformity, written observation or written suggestion

raised by the external auditor. The Authority shall continue to strive for further enhancement of its operations and keep up with the sound quality management system.

***Review and Enhancement of the Methods and Procedures for the HKDSE Examination***

51. The review of the methods and procedures for the HKDSE Examination started immediately after the release of the results of the 2012 HKDSE Examination. Examination paper quality audit on 2012 HKDSE Chinese Language, English Language, Mathematics and Liberal Studies were conducted. Several proposals have been submitted to the Public Examination Management Team and relevant committees for consideration regarding the enhancement of the methods and procedures for the marking and grading of the HKDSE Examination.

***Quality Assessment Management Accreditation Scheme (QAMAS) and Assessment Quality-assurance Platform (AQP)***

52. A total of 14 primary and secondary schools received the accreditation of QAMAS from the Authority at the certificate presentation ceremony on 24 November 2012. This ceremony also featured a sharing session where accredited schools presented their latest in-school assessment-related initiatives. In the future, QAMAS will aim at the establishment of a network of learner-schools, the use of assessment technology (e.g. AQP), and the promotion of assessment for learning in both primary and secondary education sectors.
53. In order to promote the concept and practice of “assessment for learning” in primary and secondary schools, the Authority had been developing a web-based platform for school teachers to analyse assessment data, known as the AQP. By analysing responses in test papers, AQP helps teachers identify students’ learning needs, as well as room for improvement in item writing and assessment design.
54. For the promotion of AQP, in May 2013, over 200 principals and teachers were invited to attend a seminar to announce the release of an enhanced version of the platform. Following the seminar, the first workshop was arranged in July 2013 for teachers from 12 primary schools to experience hands-on training on the new item-bank and automated test assembly functions. The workshop was well-received by the participants and many teachers found the AQP helpful to their work. By the end of August 2013, over 100 accounts had been set up and sent to schools for teachers to trial AQP.
55. In addition, plans to promote AQP in the 2013/2014 academic year were formulated in August 2013 with the following key components:
  - (a) System enhancement: Provision of new functions for sharing item banks among schools and enhanced utilities for system monitoring and administration;
  - (b) After services: Development of online training packages and establishment of an AQP community among users;

- (c) Partnership programme: Exploration of the possibility to collaborate with the Hong Kong Education City or other organisations.

### ***Research Conference and Paper Publication***

56. Staff of the Authority had been invited to give keynote speeches and/or presentations in conferences including the 5<sup>th</sup> International Conference on Rasch Measurement, the 1<sup>st</sup> International Conference of Standard-Based Assessment, the Annual National Conference on Educational Measurement 2012, the 14<sup>th</sup> Academic Forum on English Language Testing in Asia as well as the 6<sup>th</sup> Joint Conference of the Heads of the Educational Examinations Authorities of Beijing, Chongqing, Hong Kong, Shanghai and Tianjin.
57. Articles written by staff of the Authority were published in the following journals: Journal of Educational Administration, Transactions of the Rasch Measurement SIG, American Educational Research Association, 心理學報, 心理學探新, 中國考試 and 考試研究.

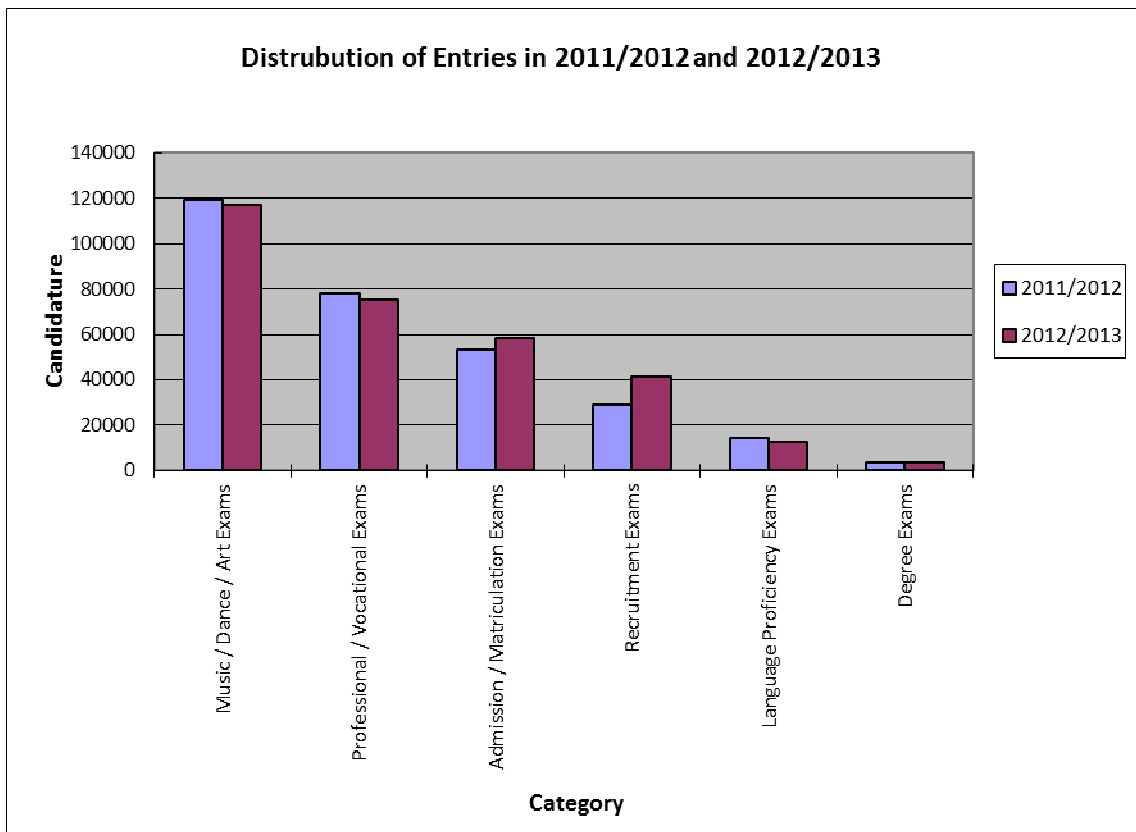
### ***Basic Competency Assessments (BCA) Project***

58. The 2013 Territory-wide System Assessment (TSA) was conducted smoothly and successfully. A total of 162,158 students participated in the written assessments of Chinese Language, English Language and Mathematics at Primary 3 (P3), Primary 6 (P6) and Secondary 3 (S3) levels from 522 primary and 453 secondary schools in mid and late June. In addition, there were 63,425 students sampled for the Chinese and English oral assessments in mid April at S3 level and early May at P3 and P6 levels.
59. This is the first year that visually impaired students joined the TSA. Braille papers were provided for these students. Also, visually disabled students could use screen readers which read aloud the Chinese and English listening and writing papers as they took the assessments.
60. To further facilitate the participation of Non-Chinese Speaking (NCS) students in the Chinese Language assessment, an enhanced instruction sheet for reading assessments with information specifying the answering requirements was given to the invigilators at P3, P6 and S3. Invigilators were requested to read these guidelines aloud to students before the assessment started. This helped students understand better the answering requirements for reading assessments. The new facilitation measure for NCS students was well received by schools.
61. The item development of Student Assessment (SA) was in good progress. The annual target, a total of 4,500 items, would be achieved. At present, there were around 30,500 items in Chinese Language, English Language and Mathematics across Key Stages 1-3 in the SA item bank. This provides an abundant supply of assessment tasks for schools to use.
62. The SA system was widely promoted this year. A total of 39 seminars and workshops were held for primary and secondary teachers. Teacher participants

reflected that the SA system could help facilitate learning and teaching and they had a better understanding of students' strengths and weaknesses via this system.

**(D) Diversification of Activities (International and Professional Examinations)**

63. The overall candidature of international and professional examinations (IPE) in 2012/2013 was 308,809, representing an increase of approximately 3.6% on the previous year, while the total income generated increased by 6.3% to reach a record high of over HK\$78m.
64. Similar to previous years, amongst the various examination groups indicated in the table below, the majority of the entries came from music/dance/art examinations though it is the first time in at least a decade that an overall decrease in this examination group has been observed probably under the impact of the demographic decline of student population in Hong Kong. There were also minor setbacks in professional/vocational examinations and language examinations while the strongest growth came from recruitment examinations followed by admission/matriculation examinations.



65. In order to sustain and grow the IPE services, a series of outreach activities were carried out during the year. A workshop for Putonghua (PTH) teachers was held in September 2012 to introduce the computerised PTH Shuiping Ceshi test offered by the Authority for students aged 18 or lower. The improved Examination Fee Remission Scheme for eligible needy NCS students at senior secondary level was launched on request of the EDB to cover all GCE/IGCSE/GCSE Chinese language subjects offered

by the Authority starting from May/June 2013. To encourage and facilitate students from Mainland China to take university admission examinations in Hong Kong, the Authority participated in the 18<sup>th</sup> China International Education Exhibition Tour held in Guangzhou in March 2013 for promoting GCE, ACT and SAT. An introductory seminar and a series of training workshops for teachers were held in Shenzhen for promoting the HKDSE Examination in June and August 2013 respectively. A seminar on the ABRSM Ensemble syllabus was held jointly with ABRSM in June 2013 to encourage music making at a collaborative and application level. Two workshops on changes to GCE A-levels and the introduction of the International Advanced Levels held by Edexcel in August 2013 were facilitated by IPE Division.

Secretary General  
Hong Kong Examinations and Assessment Authority  
December 2013



**HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY****Programme of Activities****1 September 2012 – 31 August 2013**

1. The Hong Kong Diploma of Secondary Education (HKDSE) Examination and the final offer of the Hong Kong Advanced Level Examination (HKALE)\* were conducted as scheduled during the period under review. Details of the number of participating schools, candidates sat, etc. are shown below:

	<i>HKDSE Examination</i>	<i>HKALE</i>
(a) Participating Schools	514	—
(b) Number of Private Candidates Sat	10,450	4,541
(c) Number of School Candidates Sat	70,905	—
(d) Total Number of Subjects Sat (School and Private Candidates)	457,967	7,018

\* 2013 HKALE was offered to private candidates only.

2. **Test of Proficiency in Putonghua (TPP)**

Number of Candidates Sat	546
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3. **Language Proficiency Assessment for Teachers (LPAT)**

Number of Candidates Sat	<i>English Language</i>	1,739
	<i>Putonghua</i>	2,226

4. **Territory-wide System Assessment (TSA)**

Number of Students Sat (Written Assessment)	162,158
Number of Students Sat (Oral Assessment)	63,425

5. Under approval obtained in accordance with Section 7(2)(c) of the Hong Kong Examinations and Assessment Authority Ordinance, the Authority conducted examinations on behalf of the following examining bodies:

***Name of Examining Body***

1. Abbotsleigh School
2. ACT, Inc.
3. American Board for Occupational Health Nurses (ABOHN)
4. American Board of Industrial Health (ABIH)
5. American Board of Pediatrics (ABP)
6. American Council on Education
7. American Institute for Chartered Property Casualty Underwriters/Insurance Institute of America
8. American Society for Industrial Security (ASIS)
9. Association of Certified Anti-Money Laundering Specialists (ACAMS)



10. Associated Board of The Royal Schools of Music
11. Association of American Medical Colleges (AAMC)
12. Association of Chartered Certified Accountants
13. Association of Clinical Research Professionals Examinations
14. Association of International Accountants
15. Australian Council for Educational Research
16. Australian Medical Council Evaluating (AMCE)
17. Australian Teachers of Dancing International Pty. Limited
18. BCS The Chartered Institute for IT
19. BEAM Society
20. Benenden School
21. Board of Certified Safety Professionals (BCSP)
22. Burgess Hill School for Girls
23. Carleton University
24. Casualty Actuarial Society
25. Central Conservatory of Music
26. CFA Institute
27. Charles Sturt University
28. Chartered Institute of Linguists
29. Chartered Secretaries Australia Limited
30. Cheung Kong School of Art and Design, Shantou University
31. China Appointed Attesting Officers Qualification
32. China Art Science Technology Research Institute
33. Chinese Institute of Certified Public Accountants
34. Chinese Medicine Council of Hong Kong
35. College of Law of New South Wales
36. Competency and Credentialing Institute (CCI)
37. Deakin University
38. Department of Health, the Government of the Hong Kong SAR
39. Disaster Recovery Institute International (DRII)
40. Edith Cowan University
41. Education Testing Service
42. Educational Commission for Foreign Medical Graduates
43. Electrical & Mechanical Services Department, the Government of the Hong Kong SAR
44. Estate Agents Authority
45. Financial Services Institute of Australiasia
46. Fire Services Department, the Government of the Hong Kong SAR
47. Global Association of Risk Professionals
48. Green Building Certification Institute (GBCI)
49. Guangzhou Academy of Fine Arts
50. Hong Kong Ballroom Dancing Council
51. Hong Kong Dance Federation
52. Hong Kong Institute of Accredited Accounting Technicians Limited

53. Hong Kong Institute of Architects
54. Hong Kong Institute of Certified Public Accountants
55. Hong Kong Institute of Chartered Secretaries
56. Hongkong Post, the Government of the Hong Kong SAR
57. Hong Kong Statistical Society
58. Human Resource Certification Institute (HRCI)
59. Immigration Department, the Government of the Hong Kong SAR
60. Information Services Department, the Government of the Hong Kong SAR
61. Institute for Supply Management (ISM)
62. Institute of Applied Linguistics, Ministry of Education, PRC
63. Institute of Certified Management Accountants (ICMA)
64. Institute of Chartered Secretaries and Administrators (UK)
65. Institute of Electrical and Electronics Engineers (IEEE)
66. Institute of Financial Planners of Hong Kong
67. Institute of International Container Lessors
68. Institute of Legal Executives
69. Instrumentation Systems and Automation Society (ISA)
70. Insurance Institute of Canada
71. International Communications Industries Association (InfoCOMM)
72. International Council of Shopping Centres (ICSC)
73. International Facility Management Association (IFMA)
74. International Research Association (IRA)
75. Kambala School
76. Lands Department, the Government of the Hong Kong SAR
77. Law School Admission Council
78. London Chamber of Commerce and Industry International Qualifications
79. Market Technicians Association (MTA)
80. Massey University
81. McMaster University
82. Medical Council of Canada
83. Ministry of Justice, PRC
84. Monash University
85. Murdoch University
86. National Educational Examinations Authority, PRC
87. Office of the Government Chief Information Officer, the Government of the Hong Kong SAR
88. Open Polytechnic of New Zealand
89. Pearson Language Tests
90. Product Development and Management Association (PDMA)
91. Project Management Institute (PMI)
92. Radio Television Hong Kong, the Government of the Hong Kong SAR
93. Royal Academy of Dance
94. School and College Ability Test (SCAT)

95. Scots College
96. Securities and Investment Institute (SII)
97. Self-Study Examination Office The Education Examinations Authority of Guangdong Province
98. Smart Education Company Limited
99. Society for Worldwide Inter Bank Financial Telecommunication (SWIFT)
100. Society of Actuaries
101. State Administration of Taxation
102. Supply-Chain Council (SCC)
103. The Chartered Institute of Taxation
104. The Chartered Insurance Institute
105. The College Board
106. The Institute of Actuaries
107. The Institution of Fire Engineers
108. The Security Analysts Association of Japan
109. The Taxation Institute of Hong Kong
110. The University of Queensland
111. Thomson Prometric
112. University of British Columbia
113. University of Cambridge International Examinations
114. University of East London
115. University of Guelph
116. University of London International Programmes
117. University of Newcastle
118. University of South Australia
119. University of Southern Queensland
120. University of Warwick
121. University of Waterloo
122. University of Wisconsin

6. The total candidature of examinations administered by the International and Professional Examinations Division reached over 300,000 in 2012/2013, the distribution of which is given below:

