



**Hong Kong Examinations and
Assessment Authority**

香港考試及評核局

31 August 2018

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

Opinion

We have audited the financial statements of Hong Kong Examinations and Assessment Authority ("the Authority") set out on pages 4 to 25, which comprise the balance sheet as at 31 August 2018, the statement of comprehensive income, the statement of changes in reserves and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Authority as at 31 August 2018 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Authority in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Authority for the financial statements

The Authority is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the members of the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authority.
- Conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.



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

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink, appearing to be 'J. K. Yip'.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong


11 DEC 2018

Balance sheet at 31 August 2018

(Expressed in Hong Kong dollars)

	Note	2018	2017
Non-current asset			
Fixed assets	3	\$ 51,692,167	\$ 57,367,909
Current assets			
Inventories	4	\$ 1,047,290	\$ 1,358,415
Prepayments, sundry deposits and receivables	5	34,645,680	28,438,529
Cash and bank deposits	6	261,908,587	288,150,282
		\$ 297,601,557	\$ 317,947,226
Current liabilities			
Accounts payable and accruals		\$ 153,175,387	\$ 163,602,063
Receipts in advance	7	980,992	3,437,389
Deferred government grants	8(a)	167,822	1,966,808
		154,324,201	169,006,260
Net current assets		\$ 143,277,356	\$ 148,940,966
Total assets less current liabilities		\$ 194,969,523	\$ 206,308,875
Non-current liabilities			
Accounts payable and accruals		\$ 9,544,788	\$ 10,613,090
Deferred government grants	8(a)	637,677	805,499
		10,182,465	11,418,589
Net assets		\$ 184,787,058	\$ 194,890,286
Representing:			
Accumulated surplus		\$ 184,787,058	\$ 194,890,286

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


Chairman
Hong Kong, 11 DEC 2018

The notes on pages 8 to 25 form part of these financial statements.

Statement of comprehensive income for the year ended 31 August 2018 (Expressed in Hong Kong dollars)

	Note	2018	2017
Income			
Hong Kong Diploma of Secondary Education Examination	\$ 187,559,958	\$ 187,132,612	
International and professional and other local examinations	115,975,833	106,597,803	
Basic Competency Assessment	75,335,000	78,414,000	
Sale of publications	15,998,694	16,381,357	
Government grants	8(a) 1,966,808	5,852,393	
Interest income	2,528,520	2,104,066	
Sundry income	15,369,491	13,906,981	
		<u>\$ 414,734,304</u>	<u>\$ 410,389,212</u>
Expenditure			
Staff costs	10(a) \$ 229,531,099	\$ 224,893,132	
Examination personnel expenses	83,827,683	86,552,029	
Administrative and other operating expenses	91,181,262	96,976,127	
Depreciation	20,297,488	18,477,455	
		<u>424,837,532</u>	<u>426,898,743</u>
Deficit and total comprehensive income for the year	10	<u>\$ (10,103,228)</u>	<u>\$ (16,509,531)</u>

The notes on pages 8 to 25 form part of these financial statements.

Statement of changes in reserves for the year ended 31 August 2018

(Expressed in Hong Kong dollars)

	<i>Accumulated surplus</i>
At 1 September 2016	\$ 211,399,817
Deficit and total comprehensive income for the year	<u>(16,509,531)</u>
At 31 August 2017	<u>\$ 194,890,286</u>
At 1 September 2017	\$ 194,890,286
Deficit and total comprehensive income for the year	<u>(10,103,228)</u>
At 31 August 2018	<u>\$ 184,787,058</u>

The notes on pages 8 to 25 form part of these financial statements.

Cash flow statement for the year ended 31 August 2018 (Expressed in Hong Kong dollars)

	Note	2018	2017
Operating activities			
Deficit for the year		\$ (10,103,228)	\$ (16,509,531)
Adjustments for:			
Depreciation		20,297,488	18,477,455
Interest income		(2,528,520)	(2,104,066)
Gain on disposal of fixed assets		(78,996)	(46,662)
Operating surplus/(deficit) before changes in working capital		\$ 7,586,744	\$ (182,804)
Decrease/(increase) in inventories		311,125	(25,384)
Increase in prepayments, sundry deposits and receivables		(5,776,668)	(12,689,530)
(Decrease)/increase in accounts payable and accruals		(10,138,765)	6,733,697
Decrease in receipts in advance		(2,456,397)	(15,007,796)
Decrease in deferred government grants		(1,966,808)	(5,355,416)
Net cash used in operating activities		\$ (12,440,769)	\$ (26,527,233)
Investing activities			
Payment for the purchase of fixed assets		\$ (15,979,463)	\$ (19,133,625)
Proceeds from sale of fixed assets		80,500	49,849
Decrease in bank deposits with maturity over three months at acquisition		28,285,169	38,432,718
Interest received		2,098,037	2,260,029
Net cash generated from investing activities		\$ 14,484,243	\$ 21,608,971
Net increase/(decrease) in cash and cash equivalents		\$ 2,043,474	\$ (4,918,262)
Cash and cash equivalents at 1 September		99,706,513	104,624,775
Cash and cash equivalents at 31 August	6	\$ 101,749,987	\$ 99,706,513

The notes on pages 8 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 statutory body established under the Hong Kong Examinations and Assessment Authority Ordinance (Chapter 261) ("the Ordinance"). The principal activity of the Authority is to conduct 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. Significant accounting policies adopted by the Authority are disclosed below.

The HKICPA has issued certain new and revised 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 interpretation that is not yet effective for the current accounting period (see note 16).

(b) Basis of preparation of the financial statements

The Authority has prepared a ten year financial projection and the accumulated surplus is projected to decline with a marginal cash position in 2019/20, and negative changes in any assumptions will trigger significant impact on the Authority's cash flow position. In light of this, the Authority has submitted funding proposals to seek government funding during the year in accordance with the Ordinance to meet future cash flow.

The Authority consider that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern. This is because (1) the Authority shall be a body corporate with perpetual succession and there would be no alternative organisation in Hong Kong to conduct the HKDSE Examination, which is a specified examination under the Ordinance; (2) Over the past three years, the Authority has had on-going discussions with the Education Bureau ("EDB") over the funding issue and has prepared financial projections to the EDB showing a further decline in the accumulated surplus with a marginal cash position in 2019/2020, and negative changes in any financial assumptions will trigger significant impact on the Authority's cash flow position. The Authority, in consultation with the Government, will continue to explore possible ways to alleviate the deficits resulting from the declining number of HKDSE candidates and to work out a long-term solution. In the interim, the Authority understands that the Government plans to put forward a proposal of non-recurrent funding of \$360 million in four years to support its effective operation during the period for the Legislative Council's approval in early 2019.

2 Significant accounting policies (continued)

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.

(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.

2 Significant accounting policies (continued)

(d) Inventories

Inventories 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.

(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 estimated 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 gratuities 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.
- (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 who opted to transfer to the 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 \$30,000.

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, subject to a cap of monthly relevant income of \$30,000, 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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Authority.

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 vehicles</i>	<i>Total</i>
Cost:					
At 1 September 2016	\$101,019,268	\$ 15,967,510	\$187,019,975	\$ 279,428	\$304,286,181
Additions	771,392	803,058	25,062,614	-	26,637,064
Disposals	-	(511,230)	(5,032,447)	-	(5,543,677)
At 31 August 2017	<u>\$101,790,660</u>	<u>\$ 16,259,338</u>	<u>\$207,050,142</u>	<u>\$ 279,428</u>	<u>\$325,379,568</u>
At 1 September 2017	\$101,790,660	\$ 16,259,338	\$207,050,142	\$ 279,428	\$325,379,568
Additions	5,024,803	1,691,600	7,906,847	-	14,623,250
Disposals	-	(1,203,695)	(18,336,601)	-	(19,540,296)
At 31 August 2018	<u>\$106,815,463</u>	<u>\$ 16,747,243</u>	<u>\$196,620,388</u>	<u>\$ 279,428</u>	<u>\$320,462,522</u>
Accumulated depreciation:					
At 1 September 2016	\$ 88,531,218	\$ 13,716,018	\$152,548,030	\$ 279,428	\$255,074,694
Charge for the year	4,781,318	953,581	12,742,556	-	18,477,455
Written back on disposal	-	(511,230)	(5,029,260)	-	(5,540,490)
At 31 August 2017	<u>\$ 93,312,536</u>	<u>\$ 14,158,369</u>	<u>\$160,261,326</u>	<u>\$ 279,428</u>	<u>\$268,011,659</u>
At 1 September 2017	\$ 93,312,536	\$ 14,158,369	\$160,261,326	\$ 279,428	\$268,011,659
Charge for the year	2,797,072	889,650	16,610,766	-	20,297,488
Written back on disposal	-	(1,203,695)	(18,335,097)	-	(19,538,792)
At 31 August 2018	<u>\$ 96,109,608</u>	<u>\$ 13,844,324</u>	<u>\$158,536,995</u>	<u>\$ 279,428</u>	<u>\$268,770,355</u>
Net book value:					
At 31 August 2018	<u>\$ 10,705,855</u>	<u>\$ 2,902,919</u>	<u>\$ 38,083,393</u>	<u>\$ -</u>	<u>\$ 51,692,167</u>
At 31 August 2017	<u>\$ 8,478,124</u>	<u>\$ 2,100,969</u>	<u>\$ 46,788,816</u>	<u>\$ -</u>	<u>\$ 57,367,909</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

	2018	2017
Stationery and printing materials	\$ 35,281	\$ 48,985
Publications	1,012,009	1,309,430
	<u>\$ 1,047,290</u>	<u>\$ 1,358,415</u>

5 Prepayments, sundry deposits and receivables

	2018	2017
Amount due from the Education Bureau	\$ 15,106,833	\$ 5,347,469
Other receivables	10,401,333	11,896,336
Interest receivable	906,509	476,026
Prepayments and sundry deposits	8,231,005	10,718,698
	<u>\$ 34,645,680</u>	<u>\$ 28,438,529</u>

As at 31 August 2018, an amount of \$125,480 (2017: \$860,260) 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 the Education Bureau and other receivables are normally due immediately from the date when reimbursement claimed. Further details on the Authority's credit policy are set out in note 13(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 2018 and 2017, 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:

	2018	2017
Neither past due nor impaired	\$ 14,259,693	\$ 5,380,217
Less than 1 month past due	\$ 5,436,005	\$ 8,286,826
1 to 3 months past due	5,812,468	3,430,098
Over 3 months past due	-	146,664
	<u>\$ 11,248,473</u>	<u>\$ 11,863,588</u>
	<u>\$ 25,508,166</u>	<u>\$ 17,243,805</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

	2018	2017
Cash and cash equivalents		
– Cash at bank and in hand	\$ 101,749,987	\$ 99,706,513
Time deposits with maturity over three months at acquisition	160,158,600	188,443,769
	<u>\$ 261,908,587</u>	<u>\$ 288,150,282</u>

At 31 August 2018, cash and bank deposits amounting to \$72,568,783 (2017: \$73,426,645) 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 2018 bear interest at rates ranging from 0.70% to 1.84% (2017: 0.70% to 1.32%) per annum.

7 Receipts in advance

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

8 Deferred government grants

(a) Deferred government grants are analysed as follows:

	Capital Grants (note (i))	Hong Kong Assessment Centre Grants (note (ii))	HKDSE Exam System Grants (note (iii))	Total
At 1 September 2016	\$ 1,422,055	\$ -	\$ 6,705,668	\$ 8,127,723
Add: Grants received and receivable during the year	-	496,977	-	496,977
Less: Recognised as Government Grant income	(1,422,055)	(496,977)	(3,933,361)	(5,852,393)
At 31 August 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,772,307</u>	<u>\$ 2,772,307</u>
At 1 September 2017	\$ -	\$ -	\$ 2,772,307	\$ 2,772,307
Less: Recognised as Government Grant income	-	-	(1,966,808)	(1,966,808)
At 31 August 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805,499</u>	<u>\$ 805,499</u>
Amount to be recognised as income:				
<i>At 31 August 2018</i>				
Within one year	\$ -	\$ -	\$ 167,822	\$ 167,822
After one year	-	-	637,677	637,677
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805,499</u>	<u>\$ 805,499</u>
<i>At 31 August 2017</i>				
Within one year	\$ -	\$ -	\$ 1,966,808	\$ 1,966,808
After one year	-	-	805,499	805,499
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,772,307</u>	<u>\$ 2,772,307</u>

8 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))	Hong Kong Assessment Centre Grants (note (ii))	HKDSE Exam System Grants (note (iii))	Total
2018				
Depreciation of fixed assets funded by Government Grants	\$ -	\$ -	\$ 1,966,808	\$ 1,966,808
2017				
Depreciation of fixed assets funded by Government Grants	\$ 1,422,055	\$ -	\$ 3,933,361	\$ 5,355,416
Operating lease charges and rates	-	496,977	-	496,977
	<u>\$ 1,422,055</u>	<u>\$ 496,977</u>	<u>\$ 3,933,361</u>	<u>\$ 5,852,393</u>

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 was 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.

8 Deferred government grants (continued)

(ii) Hong Kong Assessment Centre Grants

On 29 January 2007, the Authority entered into two 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 the costs of related fitting out works) to carry out onscreen marking on Hong Kong Island for the period from September 2006 to September 2010.

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 of 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. The onscreen marking centre grant has been extended to cover the rental period of one floor level of the temporary onscreen marking centre on Hong Kong Island to 30 September 2016.

(iii) 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.

9 Remuneration of key management personnel

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

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

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

	2018	2017
Contributions to defined contribution retirement plan	\$ 372,174	\$ 360,533
Salaries and other benefits	<u>10,233,202</u>	<u>9,412,662</u>
	<u>\$ 10,605,376</u>	<u>\$ 9,773,195</u>

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

	2018 Number	2017 Number
\$1,500,001 to \$2,000,000	-	1
\$2,000,001 to \$2,500,000	3	2
\$2,500,001 to \$3,000,000	-	-
\$3,000,001 to \$3,500,000	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

10 Deficit for the year

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

	2018	2017
(a) Staff costs		
Contributions to defined contribution retirement plan	\$ 10,196,125	\$ 10,158,967
Salaries, wages and other benefits	219,334,974	214,734,165
	<u>\$ 229,531,099</u>	<u>\$ 224,893,132</u>
(b) Other items		
Auditor's remuneration	\$ 524,767	\$ 575,800
Operating lease charges in respect of:		
– office premises	7,613,355	7,510,295
– examination halls and equipment	11,649,058	11,252,729
Depreciation	20,297,488	18,477,455
Gain on disposal of fixed assets	<u>(78,996)</u>	<u>(46,662)</u>

11 Taxation

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

12 Capital management

The Authority defines capital as its accumulated surplus 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.

13 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 92% (2017: 76%) 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 including government grants 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.

(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 2018 and 2017.

14 Commitments

- (a) Capital commitments outstanding at 31 August 2018 not provided for in the financial statements were as follows:

	2018	2017
Contracted for	\$ 10,275,339	\$ 11,025,351
Authorised but not contracted for	-	48,800,000
	<u>\$ 10,275,339</u>	<u>\$ 59,825,351</u>

- (b) At 31 August 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2018	2017
Within 1 year	\$ 8,082,626	\$ 8,893,390
After 1 year but within 5 years	7,949,067	13,972,502
	<u>\$ 16,031,693</u>	<u>\$ 22,865,892</u>

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

15 Material related party transactions

Apart from the transactions and balances disclosed in note 5, 8, 9 and elsewhere in the financial statements, the Authority did not enter into any other material related party transactions.

16 Possible impact of amendments and new standards issued but not yet effective for the year ended 31 August 2018

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 2018 and have not been early adopted by the Authority.

16 Possible impact of amendments and new standards issued but not yet effective for the year ended 31 August 2018 (continued)

These include the following which may be relevant to the Authority.

	<i>Effective for accounting periods beginning on or after</i>
HKFRS 9, <i>Financial instruments</i>	1 January 2018
HKFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018
HKFRS 16, <i>Leases</i>	1 January 2019

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 the Authority has identified some aspects of the new standards which may have an impact on the financial statements. Further details of the expected impacts are discussed below.

While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Authority, and further impacts may be identified before the standards are initially applied in the Authority's financial statements for the year ending 31 August 2019. The Authority may also change its accounting policy elections, including the transition options, until the standards are initially applied in financial statements.

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. Based on the Authority's initial assessment, impairment based on expected credit loss model on the Authority's receivables which derives from sundry deposits and receivables have no significant financial impacts on the financial statements.

16 Possible impact of amendments and new standards issued but not yet effective for the year ended 31 August 2018 (continued)

Under HKFRS 15, revenue from provision of services will be recognised when the customer obtains control of the promised services in the contract. At contract inception, an entity evaluates whether it transfers the control to the customer over time and therefore revenue should be recognised over time - if not, then it transfers control at a point in time and revenue will be recognised at that single point in time. The Authority has initially assessed that revenue from provision of examination service will continue to be recognised on completion the respective examinations, income from Basic Competency Assessment will continue to be recognised over time when the services are rendered and income from government grants will continue to be recognised on the same systematic basis. Revenue from sale of publications will be recognised on the transfer of control of goods. The impact of the adoption of HKFRS 15 would not be significant.

The Authority has identified the adoption of HKFRS 16 may have a significant impact on the financial statements and the details are set out below.

As disclosed in note 2(l), currently the Authority classifies leases into operating leases.

HKFRS 16 specifies that lessees should account for all leases in a similar way to the current finance lease accounting. The adoption of HKFRS 16 will primarily affect the Authority's accounting as a lessee of the leases for properties which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of comprehensive income over the period of the lease. As disclosed in note 14, the Authority's future minimum lease payments under non-cancellable operating leases amounted to \$16,031,693 at 31 August 2018. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Authority will need to perform a more detailed analysis to determine the amounts of the new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16.

Detailed supporting schedules to the balance sheet at 31 August 2018 (Expressed in Hong Kong dollars)

Appendix I

2018 2017

1 Prepayments, sundry deposits and receivables

Interest on fixed deposits and savings account to be received	\$ 906,509	\$ 476,026
Service charges and expenses receivable from other examination bodies for the conduct of examinations in Hong Kong	10,064,995	10,319,651
Prepayments and other accounts receivable	7,634,343	11,434,953
Sundry deposits	933,000	860,430
Amount due from the Education Bureau for Basic Competency Assessment	11,007,964	1,620,489
Service charges and receivables from the Education Bureau	4,098,869	3,726,980
	<u>\$ 34,645,680</u>	<u>\$ 28,438,529</u>

2 Accounts payable and accruals

Provision for unutilised annual leave	\$ 21,808,908	\$ 23,978,877
Provision for gratuity payments	24,711,379	23,569,586
Provision for examination personnel expenses	12,366,010	15,192,824
Amount due to The Associated Board of the Royal School of Music	66,804,000	68,629,067
Payables to fixed assets suppliers	10,821,404	12,177,617
Other accounts payable and accruals	26,208,474	30,667,182
	<u>\$ 162,720,175</u>	<u>\$ 174,215,153</u>

Detailed supporting schedules
to the statement of comprehensive income
for the year ended 31 August 2018
(Expressed in Hong Kong dollars)

Appendix II

	2018	2017
1 Income		
(a) Hong Kong Diploma Secondary Education Examination		
Examination fees	\$ 163,409,632	\$ 163,011,231
Supplementary fees	935,889	1,039,581
Rechecking fees	23,214,437	23,081,800
	<u>\$ 187,559,958</u>	<u>\$ 187,132,612</u>
(b) International and professional and other local examinations		
International and professional and other local examinations	\$ 103,967,352	\$ 95,142,139
Language proficiency assessment for teachers	12,008,481	11,455,664
	<u>\$ 115,975,833</u>	<u>\$ 106,597,803</u>

Detailed supporting schedules
to the statement of comprehensive income
for the year ended 31 August 2018 (continued)
(Expressed in Hong Kong dollars)

		Appendix II (continued)	
		2018	2017
2	Expenditure		
(a)	Staff costs		
	Contract gratuities	\$ 15,922,987	\$ 14,799,251
	Medical and dental	8,186,037	7,556,777
	Overtime	894,223	968,547
	Contributions to the retirement benefit scheme and the MPF scheme	10,196,125	10,158,967
	Salaries and other allowances	181,124,628	177,278,434
	Temporary staff	13,207,099	14,131,156
		<u>\$ 229,531,099</u>	<u>\$ 224,893,132</u>
(b)	Examination personnel expenses		
	Multiple choice item writers	\$ 137,559	\$ 133,877
	Moderators/Setters/Examiners	10,511,304	10,012,236
	Markers/Oral examiners	56,377,039	59,655,159
	Centre supervisors and invigilators	11,722,973	11,548,683
	Other examination personnel	5,078,808	5,202,074
		<u>\$ 83,827,683</u>	<u>\$ 86,552,029</u>

Detailed supporting schedules
to the statement of comprehensive income
for the year ended 31 August 2018 (continued)
(Expressed in Hong Kong dollars)

Appendix II
(continued)

2018 2017

2 Expenditure (continued)

(c) Administrative and other operating expenses

Air-conditioning, electricity and water	\$ 6,224,724	\$ 6,894,116
Audit fee	524,767	575,800
Barcode label and other scan cost	1,024,237	1,072,583
Building maintenance and cleaning	5,474,161	5,639,003
Computer service and maintenance	14,453,495	17,756,053
Examination materials	2,096,338	1,950,762
Furniture and equipment	1,910,716	1,033,570
Hired transport	4,345,895	4,329,132
Insurance	845,246	827,218
Legal consultancy and professional fees	1,579,354	2,403,751
Listening test recurrent expenses	553,617	549,146
Miscellaneous	2,994,207	4,137,782
Postage and air freight	1,158,504	1,051,907
Pretest	110,900	64,800
Printing, publication and stationery	16,441,009	17,851,131
Rent, management fees and rates	13,060,483	13,401,518
Rental of examination halls and equipment	11,649,058	11,252,729
Securing services	3,607,012	3,543,935
Staff training and travelling	1,283,592	1,088,043
Staff welfare	311,056	309,486
Telephone, fax and internet charges	1,532,891	1,243,662
	<u>\$ 91,181,262</u>	<u>\$ 96,976,127</u>

Hong Kong Examinations and Assessment Authority

Report on Activities September 2017 – August 2018

Introduction

The year of 2017/2018 is a vibrant, momentous and challenging one for the Hong Kong Examinations and Assessment Authority (HKEAA). The activities of the year are wide-ranging and fruitful. This report presents the HKEAA's activities in two major areas in the financial year ending 31 August 2018, including (i) corporate governance and development, and (ii) examinations and assessments, in particular the development, administration and delivery of the Hong Kong Diploma of Secondary Education Examination (HKDSE). A list of the examinations conducted by us 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
- (D) Quality Assurance

Part II Examinations and Assessments

- (A) HKDSE and Language Proficiency Assessment for Teachers (LPAT)
- (B) New Initiatives in Examination Administration and Assessment
- (C) Research and Development
- (D) Diversification of Activities (International and Professional Examinations) (IPEs)

Part I Corporate Governance and Development

(A) Corporate Information Updates

Stakeholders' Engagement

1. In January 2018, an Annual Open Day and an HKDSE Core Subjects Information Day offering four seminar sessions were organised and were attended by over 1,000 members of the public, including students and parents. A Public Examinations Information Seminar series aiming to raise parents' understanding about the HKDSE and other examinations for secondary school leavers was scheduled for August and September and attracted about 700 participants.
2. To enhance communication and engagement with stakeholders, a Stakeholders' Forum for key stakeholder groups was held in early 2018, including school councils, education concern groups, youth groups, parent-teacher associations as well as concern groups for students with special educational needs (SEN).

Promoting the HKDSE

3. To promote recognition of the HKDSE and to widen opportunities for admission to non-local universities for HKDSE candidates, we joined the StudyUK Education Expo organised by the British Council twice and also the information seminars organised for Japanese and South Korea universities during the year. By the end of August 2018, a total of 278 overseas higher education institutions had announced their acceptance of the HKDSE qualification for admission to their undergraduate programmes, in addition to 102 Mainland institutions and some 140 Taiwanese institutions which admit students on the basis of their HKDSE results.

Publications and Publicity

4. In the year, we published four issues of the HKEAA e-News and two issues of the HKDSE Newsletter to provide updates on our latest development, particularly the HKDSE, to local and overseas stakeholders.
5. By the end of August 2018, the HKDSE Mobile Application had recorded nearly 192,000 cumulative downloads since its launch in 2012. The HKDSE blog, *DSE Express*, also recorded more than 110,000 visits in 2017/2018.

Media and Communication Activities

6. During the year, we organised a number of press conferences, media interviews and events to announce the 2018 HKDSE results, major examination policies and other initiatives. A number of press releases and feature articles were published to promote various events and programmes, and over 200 press enquiries, 70% of which concerned the HKDSE, were handled.

Awards

7. Two staff members received the ‘Ombudsman’s Awards 2017 for Officers of Public Organisations’ in recognition of their exemplary customer service. Since 2012, a total of nine staff members have received the same award.
8. At the organisation level, we received the ‘Triple Gold Award’ for the second time, under the Web Accessibility Recognition Scheme, in recognition of our conscientious efforts in adopting web content accessibility designs for the corporate website. Committed to promoting life-long learning and keeping our workforce upskilled, we were recognised by the Employees Retraining Board as a ‘Manpower Developer’ under the category of ‘Government Department, Public Body and NGO’ in its ERB Manpower Developer Award Scheme 2018.

HKEAA Code on Access to Information

9. A total of eight requests for information under the HKEAA Code on Access to Information in 2017/2018 were processed this year and all of them were duly followed up in accordance with the Code. Simultaneously, to enhance staff understanding of the Code and facilitate them to process requests for access to information from members of the public, the operation guideline on the Code was enhanced to improve clarity and a training session was organised for the staff concerned in light of the latest best practices.

(B) Mainland and Overseas Partnership

External Partnership/ Collaboration

10. During the year, we received visitors from the National Education Examinations Authority, the Education Examinations Authority of Guangdong Province, Tianjin Municipal Educational Admission and Examinations Authority, and the Research Center for Psychological and Educational Testing of National Taiwan Normal University. Two Memorandums of Understanding were signed with the Shanghai Municipal Educational Examinations Authority of the Mainland and the College Entrance Examination Center of Taiwan, with a view to establishing a cross-regional collaboration platform and promoting best practice sharing in the realm of education assessment.

(C) General Administration and Finance

Human Resources Management

11. The 2017/2018 Pay and Benefits Level Review was completed with pay ranges adjusted to narrow pay gaps with the market. New pay ranges¹ took effect as from 1 January 2018, whilst ‘pay for performance’ continued as our reward philosophy.

¹ Normally our pay ranges would be static until they are revised. To stay competitive as an employer, we normally review our pay ranges every three years by engaging an external consultant. Unlike the annual pay review which may bring along pay adjustments in tandem, revisions to the pay ranges are to update, where necessary, the ‘salary floors’ and ‘salary ceilings’ of various pay grades for a longer-term implementation.

12. As a family-friendly employer, we embarked on a 6-month and 2-phased trial run of '5-day work week' from February to July 2018 so that practical experience could be obtained to adjust operation details. Upon conclusion of the trial run, '5-day work week' was rolled out officially in September 2018 among most of our offices without increasing staff cost or affecting the current service level.
13. As an examinations and assessment authority, we have always attached paramount importance to employee conduct and from time to time reviewed our Employee Code of Conduct according to the prevailing focus on matters relating to legal compliance and employees' inappropriate behaviours. The revised Employee Code of Conduct was implemented as from September 2018.
14. To ensure the sustainable development of the workforce, we have rigorously pursued leadership development and succession planning. Riding on the completion of the earlier Leadership Development Programme comprising leadership assessment and development plan geared towards succession planning, we were formulating a talent management strategy in the year. Individualised development plans have been crafted for implementation in 2018/2019.
15. We have always attached great importance to employee communication and engagement. In 2017/2018, a total of four sessions of All Staff Meeting were organised to share organisational updates and gauge staff feedback. To recognise staff through non-financial means, we also presented awards to some distinguished staff and the award winners of the Staff Suggestion Scheme. We would continue to dedicate efforts to employee engagement and strive to be an 'employer of choice'.

Building/ Facilities Management

16. Most of our premises have aged severely. To ensure public safety and maintain our premises in usable conditions, we carried out repair works in the Lai King Assessment Centre to resolve water seepage and other safety issues. However, the large-scale repair and maintenance plan for the San Po Kong Building has been shelved until our financial sustainability issue is resolved. Instead, we have worked out an enhanced maintenance strategy for the San Po Kong Building to reduce the scale of repairs substantially - only a 'beyond-repair' chiller, the obsolete elevator and the power system of the premises would be included in the repair and maintenance plan for implementation in 2018/2019 to meet operation requirements. To ensure the building's usability, other maintenance plans would be phased in as necessary.

Development of an Integrated Corporate System

17. To meet our operation needs, a plan to develop our finance system has been on the drawing board for a few years, which was again deferred in 2017/2018 in order to extend our financial sustainability. Upon the completion of a feasibility study carried out in 2017/2018, we have initially come to the conclusion that a local enterprise solution to support our future operations straddling finance, human resources/examination personnel management, procurement, document management, etc. should be pursued to reduce capital cost considerably. As such, we would take forward the development of a long-awaited corporate system in 2018/2019.

Business Process Re-engineering

18. To enhance our operation efficiency and productivity, we have from time to time reviewed various administrative and financial procedures. In 2017/2018, we streamlined the logistics involving the ordering and delivery of publications with substantial reduction in operation cost, revamped various administrative and financial procedures to better keep track of spending and enhance efficiency without compromising our corporate governance, revamped the Project Management Committee and its relevant procedures to enhance internal accountability, as well as flexiblising the opening hours of various assessment centres during the HKDSE marking period to optimise utilisation.
19. On a separate front, we carried out a feasibility study of the wider use of cashless payment means to enhance customer service and reduce costs associated with cash handling. Given the favourable findings of the study, we embarked on negotiations with various local banks to identify a suitable vendor to implement this initiative whilst enhancing our security measures on the backend systems to ensure the security of electronic transaction. A trial run will be launched in 2018/2019 for the 2019 HKDSE before full implementation. Credit cards of various brands, a wide range of contact-less payment channels and online payment through different brands of credit cards would be accepted.

Tackling Financial Difficulties

20. The HKEAA, in consultation with the Education Bureau (EDB), has been exploring possible funding options to address the long-term financial needs of the Authority. We will continue with our complementary work in relation to the Government's proposed non-recurrent funding of \$360 million announced in the Chief Executive's 2018 Policy Address.

Enhanced Information Technology (IT) Governance and Information Security

21. A combined compliance audit of ISO 27001 Information Security Management System and ISO 20000 Information Technology Service Management was conducted in the year without identifying any non-compliance. Relevant ISO certificates were renewed subsequently.
22. To enhance our IT governance, we revamped the corporate monthly IT service report to thoroughly and comprehensively cover operations and system statistics, including service uptime and incidents. The overall performance of various systems could be better monitored and resources would be allocated to priority areas based on such metrics and analytics.
23. To better gauge user feedback for the sake of service enhancement and formulating user-centric IT strategies in alignment with the needs of corporate development, an internal user survey covering IT helpdesk service and application service was conducted for the first time in October 2017, followed by visits to users for an in-depth understanding of expectations *vis-à-vis* resource allocation and corporate priorities.

24. To strengthen control over information security, a total of 484 sets of office personal computers have been upgraded from *Windows 8.1* to *Windows 10* during the year. Six familiarisation workshops were also organised for staff to support the change process.

(D) Quality Assurance

25. We have implemented the ISO 9001 Quality Management System (QMS) since 2005. To cope with the transition of the ISO 9001 from the 2008 to the 2015 version, a number of process enhancements were adopted, including the planning and implementation of risk management policies for achieving an effective QMS. The first certification audit of the QMS of the Authority in accordance with this new international standard was conducted from late February to early March 2018 and the certificates were issued to the Authority in late May 2018.

Risk Management and Internal Audit

26. We have continually adopted a risk-based audit approach. All internal audit assignments were undertaken with due professional care. Internal audits such as revenue collection and reconciliation; review of the HKDSE examination system; registration process of the HKDSE; administration of examination personnel for the conduct of IPEs; processing of HKDSE and LPAT examination materials, etc. were carried out during the year. No significant control deficiencies were noted. All audit recommendations, with the corresponding improvement plans and timeline for implementation, were executed smoothly.

Part II Examinations and Assessments

(A) HKDSE and LPAT

2018 HKDSE

27. The June and September registrations for the 2018 HKDSE were successfully completed in July and October 2017 respectively, recording a total of 59,000 candidates, of whom 7,364 were private candidates. The June registration covered Category C (Other Languages) subject examinations while the September registration covered Category A and Category B subject examinations. To familiarise schools with the enhanced registration functions of the HKDSE System, two briefing sessions attracting a total attendance of more than 250 school staff were held in September 2017.
28. As part of the New Academic Structure Medium-term Review, four senior secondary subjects, namely Chinese Literature, Literature in English, Health Management & Social Care, and Technology & Living, will implement School-based Assessment (SBA) with effect from the 2019 HKDSE. Some schools had opted to join the optional trial of the SBA in the 2018 HKDSE and submitted SBA marks and students' work samples in early 2018 for feedback from the Authority. On the whole, the submission of marks and samples by schools and SBA mark moderation were smoothly and duly completed as scheduled.

29. The 2018 HKDSE was conducted from mid-February to May 2018 with the cooperation and support of schools, teachers and examination personnel. Additional measures were instituted in the examination centre allocation process to ensure the proper allocation of candidates to examination centres in the 2018 HKDSE. The final allocation was completed satisfactorily as scheduled.
30. The written examinations were scheduled between end-March and early May, while the Chinese Language and English Language speaking examinations were held on weekday evenings from 13 to 22 March and from 2 to 11 May 2018 respectively. Compared with the previous year, the candidature went down by 4.3% (from 61,624 to 59,000). The majority of the candidates were Secondary 6 students from 486 schools, who had completed the three-year senior secondary curriculum. The number of day school candidates decreased by 1.1%, while the number of private candidates dropped to 7,364 (down by 23%).
31. Starting from 2017/2018, the updated version of the Onscreen Marking (OSM) system, i.e. OSM2, has been fully implemented for the marking of all the written papers of Category A subjects. The marking of the four core subjects was smoothly completed in late May 2018 and that of the elective subjects in early June as planned.
32. Different processes, such as equating and SBA mark submission and moderation, were also completed smoothly as scheduled. Standards maintenance was carried out to ensure that the examination results were comparable across years. Expert panel meetings for the grading of the core subjects and the elective subjects were held in June 2018. The results were released on 11 July 2018 as scheduled, followed by 15,155 rechecking and remarking (RR) applications involving a total of 31,811 subjects, which represented a decrease of 550 cases as compared with the 2017 figure. The whole process was completed smoothly and the RR results were released in early August 2018 as scheduled. The upgrade rate was comparable to that of last year.
33. The appeal review applications in respect of processing of examination irregularities, the process of rechecking and remarking and the marking of scripts after access to scripts after Data Access Requests (DARs) recorded 9, 9 and 49 cases respectively. In accordance with the *Personal Data (Privacy) Ordinance*, 9,526 HKDSE candidates filed DARs for examination-related personal data, including marked examination scripts and/ or speaking examination video clips, before the scripts were destroyed.

Special Examination Arrangements for SEN Candidates

34. In 2017/2018, around 3,200 applications were received, which represented an increase of approximately 10% over 2016/2017. In the 2018 HKDSE, special examination arrangements (SEAs) were provided for around 2,670 SEN candidates. In written examinations, 131 home centres were set up to cater to their specific needs for ancillary equipment (including the provision of speech-to-text software) and/ or familiar environment at their own schools. In addition, 84 schools served as home-cum-district centres to accommodate their own and other candidates with similar SEAs in the same district, while 29 special centres were set up to serve other SEN candidates. The speaking examinations for SEN candidates were also smoothly conducted in May 2018.

35. As a whole, about 6,200 special question papers were produced for SEN candidates, with marked increases in screen reader question papers and question papers with special font and space-and-line spacing, both of which require much effort to prepare. Measures were taken to handle the increasing number of special question papers required. Various types of special question papers were smoothly produced to support the administration of the examinations for SEN candidates.

Provision of Support to Teachers and Students

36. To enhance transparency and teachers' understanding of the examination, briefing sessions on the review of the 2017 examination were held for all 24 Category A subjects and Applied Learning (ApL) subjects from September to December 2017. Samples at different levels of performance for these subjects were uploaded to our website to enable teachers, students and other stakeholders to better understand the standard of the HKDSE. In addition, the 2017 HKDSE Question Papers have also been available for sale for the 24 Category A subjects since early November 2017 for the reference of teachers and students.
37. About 180 briefing sessions, training sessions, workshops and conferences were conducted in 2017/2018 for different subjects. Examples of these included workshops on question-setting and marking in written examinations, teachers' conferences and experience-sharing sessions on SBA, and training sessions on designing SBA tasks and developing assessment rubrics for specific subjects.

Assessment Literacy Training (ALT)

38. The ALT Programme continued to be offered in 2017/2018 for secondary school teachers. The major assessment principles and practices adopted in the HKDSE are used as the context and the programme covers three major areas, namely, Quality Assurance in Public Assessment, Grading Principles and Mechanism, and Assessment for Learning. A total of 11 sessions were conducted in February and March 2018, with 145 teachers attending the programme. Feedback from participants was positive.
39. Besides the ALT for secondary school teachers, assessment training was conducted in October 2017 for tutors of the Course Providers of ApL subjects. Over 20 Course Provider representatives attended the training.
40. To leverage the success in 2016, the Course on English Language Assessment, a 10-session training course, was conducted again for 20 secondary school teachers from October to December 2017, enabling them to acquire a deeper understanding of key areas of English Language testing.
41. We also conducted ALT workshops for other professional bodies such as the Hong Kong Police College, the Hong Kong Construction Industry Council and the Vocational Training Council, training a total of 139 participants.

Consultancy Study on the Quality Assurance (QA) Framework for the HKDSE

42. In September 2016, an external consultant was appointed to review and evaluate the QA Framework which was revised in August 2016 and monitor its implementation in the 2017 examination cycle. The consultant delivered the final report in October 2017, summarising their comments on the quality assurance procedures of the HKDSE and providing recommendations and advice on the way forward.
43. The overall conclusion drawn by the consultant is that we have well-developed, well-documented and rigorously applied quality control procedures for the HKDSE and our personnel involved have excellent knowledge of the procedures and shown a commitment to carrying them out in full at all stages of the examination cycle. The consultant also noted that a large amount of information has been made publicly available by us so that students, schools, parents and the general public can be kept fully informed.

HKDSE School Statistical Report

44. A school survey was conducted in June 2018 on 366 schools subscribing to the 2017 HKDSE School Statistical Reports with the purpose of finding out users' views on the quantities and types of data provided, and how the data were used by schools. The survey feedback was positive. This HKDSE feedback service has been provided to schools for six years and judging from the results of the survey, the report has well served the purpose of facilitating schools to improve learning and teaching.

Payment of Examination Fees for the 2019 HKDSE School Candidates by the Government

45. The Legislative Council approved a financial commitment for paying examination fees for eligible school candidates sitting for the 2019 HKDSE as a one-off measure. We worked out with the EDB the administrative and financial arrangements pertaining to the implementation of the measure. Necessary adjustments to the relevant procedures and IT system have also been made. So far, the operation has been smooth.

Refresh of the HKDSE System

46. To tackle the 'end-of-service-life' issue, the project to refresh the HKDSE system, namely the 'HKDSE2' project, was formally kick-started in April 2018. Through internal re-deployment of resources and hiring of time-limited project staff, both hardware and software would be refreshed in different phases according to the annual examination schedule. The entire project would be completed by August 2021.

Technology Refresh of Optical Mark Recognition System (OMRS)

47. The OMRS was built to capture candidates' multiple-choice responses in the HKDSE, LPAT, Territory-wide System Assessment (TSA) and IPEs. To address the issue of cessation of vendor support in December 2018, a project to refresh the OMRS was initiated in November 2017. The updated OMRS is now ready for use by various examinations in 2019.

LPAT

48. The 2018 LPAT was successfully conducted from mid-February to March 2018. A total of 1,482 candidates sat the English Language papers while 2,118 sat the Putonghua papers. The results were released on 25 May 2018 as scheduled. A total of 108 applications for RR were received. The RR results were released on 28 June 2018. The Assessment Reports, which provide the chief examiners' observations on candidates' performance, including their strengths and areas for improvement, were released in July 2018 through the websites of the HKEAA and the EDB for the reference of candidates, schools and teacher education institutions.

(B) New Initiatives in Examination Administration and Assessment

Second Generation Public Examination Support System (PESS2) Project

49. The ageing problem of video cameras and recorders originally equipped for speaking examinations and examination centre recording has to be managed properly in order to ensure smooth examination operation. We have thus adopted smartphones to replace the obsolete video recording devices by phases. Altogether 400 sets of smartphones were procured for conducting the HKDSE English Language speaking examination in 2018. Based on the fruitful experience in 2018, the use of smartphones would be extended to cover the HKDSE Chinese Language speaking examination in 2019.

(C) Research and Development

HKDSE Predicted Level Study

50. A record high of 165 schools took part in the HKDSE predicted level study in 2017. With a total of 19,866 candidates in the sample, this study represented over one-third of the day school first-attempter candidature. A consistent pattern of more accurate predictions for the subjects of English Language and Mathematics (Compulsory Part) than Chinese Language and Liberal Studies was shown. A briefing session was held in mid-November 2017 to share key findings with representatives of participating schools.

Research and Development Plan for HKDSE

51. To fulfil our strategic direction, research and development plans were drawn up for different subjects/ areas of interests for 2018 to 2020. Areas covered include the speaking examinations of the language subjects, assessment of set texts in Chinese Language Paper 1 (Reading), Independent Enquiry Study of LS, optional trial and first implementation of SBA in four subjects and the impact of reporting an additional level of distinction in ApL subjects (except ApL Chinese (for non-Chinese speaking students)).

Research Initiatives for 'Assessment for Learning'

52. To facilitate the practice of 'Assessment for Learning' at schools, a feasibility study of several new initiatives, including the return of HKDSE answer scripts to schools, the development of an online system for diagnostic services to schools on the HKDSE

results, assessment literacy training programmes for teachers and parents, educational research on HKDSE data and so on was being carried out. Discussions with principals and frontline teachers had been conducted to gauge the needs of schools, and academics in universities were also contacted to explore possibilities of collaboration.

Quality Assessment Management Accreditation Scheme (QAMAS) Certificate Presentation Ceremony

53. The annual QAMAS Certificate Presentation Ceremony was held in mid-November 2017. QAMAS certificates were presented to 15 accredited schools in recognition of their commitment to quality examination and assessment management. The event also featured sharing sessions where representatives of member schools discussed their experience in adopting diversified assessment strategies and using the Assessment Quality-assurance Platform (AQP) for post-examination data analysis. Over 200 principals and teachers attended this event. A total of 91 primary and secondary schools were holding an effective QAMAS certificate by the end of 2017/2018.

AQP

54. Our proprietary AQP has been subscribed by more than 100 primary and secondary schools. In response to schools' feedback, the system was being upgraded with a view to incorporating OSM functions in the AQP to facilitate data entry and processing work by teachers. We will further promote the upgraded AQP to schools so as to enhance assessment literacy and effective use of assessment data among teachers to improve learning and teaching.

Research Forum

55. In 2017/2018, we planned together with the EDB the co-organisation of a Research Forum themed on 'Using Assessment Data for Better Learning and Teaching', which was scheduled for 31 October 2018 and targeting participants of the education sector, including university scholars and research students, principals and teachers of primary and secondary schools, and representatives of educational bodies and professional organisations.

TSA

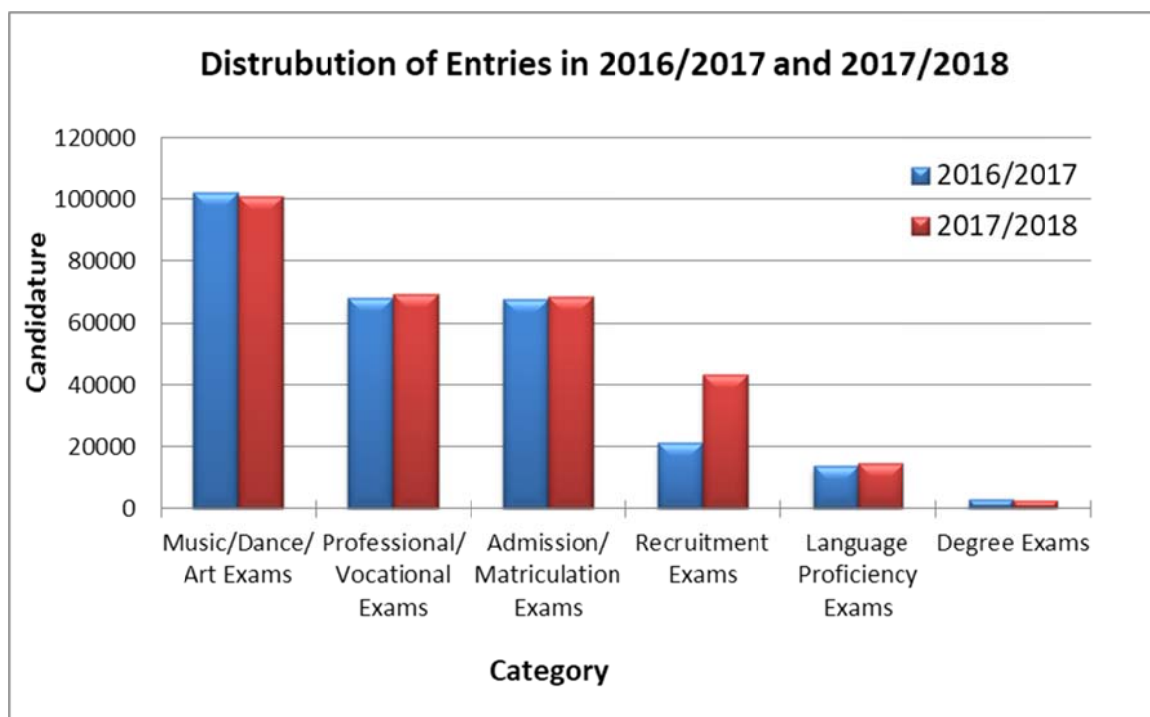
56. The results of the Primary 3 (P3), Primary 6 (P6) and Secondary 3 (S3) TSA 2017 were released in November 2017. As in previous years, seminars on students' overall performance were held in November 2017 for each subject at each level by the Authority after the release of TSA results. Nine seminars were organised for a total of 1,786 teachers of Chinese Language, English Language and Mathematics. In addition to deliberating the overall performance of students, analysis of exemplars was also used to illustrate students' performance in each subject by our subject managers and senior officers. The seminars aimed to enhance teachers' understanding of students' performance through optimal use of assessment data. The seminars also introduced the features of each type of reports so that teachers could analyse related information in a more focused manner.

57. For the TSA 2018, P6 was implemented in an opt-in mode, and S3 was conducted in full implementation mode. The EDB accepted the recommendations of the Coordinating Committee on Basic Competency Assessment and Assessment Literacy on the P3 TSA for 2018 and beyond: the P3 TSA will be conducted every year on a sampling basis, with about 10% of the students sampled from each of the public sector and Direct Subsidy Scheme schools. In addition, to understand the overall learning performance of non-Chinese speaking students and SEN students and to provide appropriate support, a certain number of students from these two student groups have to be separately sampled to meet the statistical requirements. Students' performance will only be counted as territory-wide data. Since only a small number of students in each school will participate in the assessment, school reports will not be provided. However, schools that would like all their P3 students to participate in the TSA and obtain detailed school reports for learning and teaching purposes could approach the HKEAA directly.
58. The oral assessment (with P3 Chinese Audio-visual assessment) and written assessment at P3 and S3 were conducted smoothly in April/May and June 2018 respectively. In order to collect views from schools on the administrative arrangements for the 2018 TSA, a total of 23 Focus Group Meetings for principals and teachers were held and around 740 representatives from different schools had given valuable comments on the arrangements.

(D) Diversification of Activities (IPEs)

Candidature

59. The candidature of IPEs increased by 8.3% in 2017/2018 and reached a record high of over 299,000.
60. The range of IPEs conducted for more than 100 examination bodies in 2017/2018 could be broadly classified into six categories as indicated in the table below. Amongst them, music/ dance/ art examinations continued to be the most popular ones though their entries had been adversely affected by the decline of the student population in Hong Kong. Increases in entries were recorded for all other examination categories with the strongest growth from recruitment examinations.



Outreach Activities

61. The ACT test had been offered via the Authority in paper-based format since 2010. In transition to a computer-based testing platform starting from September 2018, a feature article was released via the HKEAA e-News in late June 2018 and a media briefing was held in late August 2018 in conjunction with the US-based ACT representatives through video conference.
62. We provided support to the Associated Board of the Royal Schools of Music in the organisation of the Appreciation Luncheon for Practical Examination Studio Proprietors and Diploma Awards Ceremony held in early February and early April 2018 respectively, and the Genee International Competition of the Royal Academy of Dance around mid-August 2018. We also helped introduce the Chinese Folk Dance Examinations on a TVB programme entitled 'Cultural Engine 4U' in late March 2018.
63. To better inform members of the public of our diversified range of examination services, the IPEs Handbook 2017/2018 was enhanced and made available online, apart from direct delivery to all secondary schools, universities, public libraries, district offices under the Home Affairs Department and over 100 continuing education institutions, youth centres and social service agencies.

IPEs System Migration Project

64. The IPEs System Migration Project commenced in March 2016 had been repeatedly delayed due to development issues. Upon our enhanced monitoring, the project had moved in a normal direction and would be accomplished by the end of 2018. When the new IPEs systems come into full operation, online services rendered to the public would be enhanced.

New Examinations

65. The following international and professional examinations are new items for the year:

	Examination	Examination Body	Country/ Region
1	Certified Welding Inspector	American Welding Society (AWS)	USA
2	Certified Associate Welding Inspector		
3	Senior Certified Welding Inspector		
4	Certified Welding Educator		
5	Certified Welding Supervisor		
6	Certified Welding Sales Representative		
7	D1.1 Structural Steel		
8	D1.2 Structural Aluminium		
9	D1.5 Bridge Welding		
10	D15.1 Railroad		
11	D17.1 Aerospace		
12	API 1104 Pipeline		
13	ASME Pressure Vessel Section IX Piping B31.1 and B31.3		
14	ASME Pressure Vessel Section VIII, Div. 1 and Section IX		
15	Structural Bolting Inspection		
16	BPS Board Certified Ambulatory Care Pharmacist (BCACP)	Board of Pharmacy Specialties (BPS)	USA
17	BPS Board Certified Cardiology Pharmacist (BCCP)		
18	BPS Board Certified Critical Care Pharmacist (BCCCP)		
19	BPS Board Certified Geriatric Pharmacist (BCGP)		
20	BPS Board Certified Infectious Diseases Pharmacist (BCIDP)		
21	BPS Board Certified Nuclear Pharmacist (BCNP)		
22	BPS Board Certified Nutrition Support Pharmacist (BCNSP)		
23	BPS Board Certified Oncology Pharmacist (BCOP)		
24	BPS Board Certified Pediatric Pharmacy Specialist (BCPPS)		
25	BPS Board Certified Pharmacotherapy Specialist (BCPS)		
26	BPS Board Certified Psychiatric Pharmacist (BCPP)		

	Examination	Examination Body	Country/ Region
27	Certification in Infection Control	The Certification Board of Infection Control and Epidemiology (CBIC)	USA
28	Authorized Certification Engineer for Android Ap Basic	Certification and Authorization Committee (CAC)	Japan
29	IoT Certification Level 1 Professional Coordinator		
30	Erasmus University Rotterdam entrance test	Erasmus University Rotterdam	Netherlands
31	Assistant Controller of Posts I Recruitment Examination	Hongkong Post, the Government of the Hong Kong SAR	Hong Kong
32	Judicial Clerk Recruitment Examination	The Judiciary, the Government of the Hong Kong SAR	Hong Kong
33	Queensland Academies entrance test	Queensland Academies	Australia
34	Ruby Association Certified Ruby Programmer Silver version 2.1	The Ruby Association	Japan
35	Ruby Association Certified Ruby Programmer Gold version 2.1		
36	XML Master Basic V2	XML Master	Japan
37	XML Master Professional Application Developer		
38	XML Master Professional Database Administrator		

Secretary General
Hong Kong Examinations and Assessment Authority
December 2018

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY**Programme of Activities****1 September 2017 – 31 August 2018**

1. The Hong Kong Diploma of Secondary Education Examination (HKDSE) was conducted as scheduled during the period under review. The candidatures are shown below:

Candidate Category	No. Entered	No. Sat
School Candidates	51,636	51,375
Day School Candidates	50,642	50,447
Day School First Attempters	50,402	50,212
Private Candidates	7,364	6,274
All Candidates	59,000	57,649

2. **Language Proficiency Assessment for Teachers (LPAT)**

Number of Candidates Sat	English Language	1,482
	Putonghua	2,118

3. 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. ABRSM
2. ACT, Inc.
3. American Board of Industrial Hygiene (ABIH)
4. American Institute for Chartered Property Casualty Underwriters/Insurance Institute of America
5. American Society for Quality (ASQ)
6. Anglican Church Grammar School
7. ASIS International
8. Association of American Medical Colleges (AAMC)
9. Australian Council for Educational Research
10. Australian Teachers of Dancing International Pty. Ltd.
11. BEAM Society Limited
12. Beijing Dance Academy
13. Cambridge Assessment International Education

14. Cambridge Boxhill Language Assessment
15. Carleton University
16. Central Conservatory of Music
17. CFA Institute
18. Charles Sturt University
19. Chartered Institute of Legal Executives (CILEx)
20. Chartered Institute of Marketing
21. Cheung Kong School of Art and Design, Shantou University
22. China Art Science Technology Research Institute
23. Chinese Medicine Council of Hong Kong
24. Deakin University
25. Edith Cowan University (ECU)
26. Educational Commission for Foreign Medical Graduates
27. Educational Records Bureau
28. Educational Testing Service
29. Electrical & Mechanical Services Department, the Government of the Hong Kong SAR (Electricity Legislation Division)
30. Erasmus University Rotterdam
31. Estate Agents Authority
32. Fire Services Department, the Government of the Hong Kong SAR
33. Global Association of Risk Professionals
34. Governance Institute of Australia
35. Government Flying Service, the Government of the Hong Kong SAR
36. Guangzhou Academy of Fine Arts
37. Home Affairs Department, the Government of the Hong Kong SAR
38. Hong Kong Ballroom Dancing Council
39. Hong Kong Dance Federation
40. Hong Kong Institute of Accredited Accounting Technicians Limited
41. Hong Kong Institute of Architects
42. Hong Kong Institute of Certified Public Accountants
43. Hong Kong Institute of Chartered Secretaries
44. Hongkong Post, the Government of the Hong Kong SAR
45. HR Certification Institute (HRCI)
46. ICSA: The Governance Institute
47. Institute of Applied Linguistics, Ministry of Education
48. Institute of Electrical and Electronics Engineers (IEEE)
49. Institute of Financial Planners of Hong Kong
50. Institute of Linguists Educational Trust
51. Institution of Fire Engineers (IFE)

52. International Facility Management Association (IFMA)
53. International Institute of Business Analysis
54. Johns Hopkins Center for Talented Youth
55. Lands Department, the Government of the Hong Kong SAR
56. Law School Admission Council
57. Massey University
58. Ministry of Justice, PRC
59. Monash University
60. Moody's Investors Service
61. Murdoch University
62. National Educational Examinations Authority, PRC
63. Office of the Government Chief Information Officer, the Government of the Hong Kong SAR
64. Office of the Government Economist, the Government of the Hong Kong SAR
65. Pearson Edexcel
66. Pearson Language Tests
67. Professional Liability Underwriting Society (PLUS)
68. Project Management Institute (PMI)
69. Queensland Academics
70. Royal Academy of Dance
71. Self-Study Examination Office, The Education Examinations Authority of Guangdong Province
72. Smart Education Company Limited
73. Society of Actuaries
74. SWIFT
75. The American Petroleum Institute (API)
76. The Association of Chartered Certified Accountants
77. The Association of Clinical Research Professionals (ACRP)
78. The Association of International Accountants
79. The Casualty Actuarial Society
80. The Chartered Institute for Securities and Investment (CISI)
81. The Chartered Insurance Institute
82. The Chinese Folk Dance Grade Test Center, China Education Federation of the Arts
83. The College Board
84. The Commonwealth Society of Teachers of Dancing (CSTD)
85. The Enrollment Management Association
86. The European Personnel Selection Office
87. The Green Business Certification Inc. (GBCI)
88. The Institute of Management Accountants
89. The Judiciary, the Government of the Hong Kong SAR
90. The Market Technicians Association (MTA)

91. The Medical Council of Canada (MCC)
92. The National Council of Architectural Registration Boards
93. The Open University
94. The Securities Analysts Association of Japan (SAAJ)
95. The Taxation Institute of Hong Kong
96. University of British Columbia
97. University of Guelph
98. University of London International Programmes
99. University of South Australia
100. University of Southern Queensland
101. University of Toronto
102. University of Warwick
103. York University

4. The total candidature of examinations administered by the International and Professional Examinations Division was over 299,000 in 2017/2018, the distribution of which is given below:

