



**Hong Kong Examinations and
Assessment Authority**

香港考試及評核局

31 August 2020

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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 33, which comprise the balance sheet as at 31 August 2020, 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 2020 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 ("HKSA") 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 unless the Council either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.



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 HKSA's 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 HKSA's, 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. Fung', written in a cursive style.

Certified Public Accountants

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

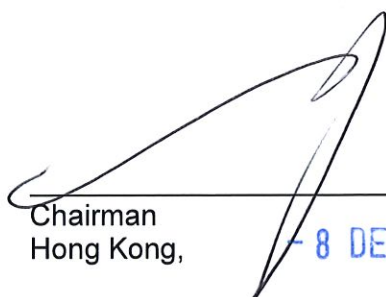
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Balance sheet at 31 August 2020 (Expressed in Hong Kong dollars)

	Note	2020	2019 (Note)
Non-current asset			
Fixed assets	3	\$ 87,484,666	\$ 53,597,643
Current assets			
Inventories	4	\$ 1,288,707	\$ 893,190
Prepayments, sundry deposits and receivables	5	33,058,115	41,183,076
Cash and bank deposits	6	335,322,054	280,890,568
		\$ 369,668,876	\$ 322,966,834
Current liabilities			
Accounts payable and accruals		\$ 188,713,526	\$ 152,541,785
Contract liabilities	7	9,535,968	829,056
Deferred government grants	8(a)	-	637,121
Lease liabilities	9	8,087,131	-
		206,336,625	154,007,962
Net current assets		\$ 163,332,251	\$ 168,958,872
Total assets less current liabilities		\$ 250,816,917	\$ 222,556,515
Non-current liabilities			
Accounts payable and accruals		\$ 12,355,893	\$ 15,103,717
Lease liabilities	9	13,672,560	-
		26,028,453	15,103,717
Net assets		\$ 224,788,464	\$ 207,452,798
Representing:			
Accumulated surplus		\$ 224,788,464	\$ 207,452,798

Note: The Authority has initially applied HKFRS 16 at 1 September 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2(c).

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


 Chairman
 Hong Kong,

8 DEC 2020

The notes on pages 9 to 33 form part of these financial statements.

Statement of comprehensive income for the year ended 31 August 2020 (Expressed in Hong Kong dollars)

Income	Note	2020	2019 (Note)
Hong Kong Diploma of Secondary Education Examination	\$	182,121,708	\$ 186,677,951
International and professional and other local examinations		124,681,908	116,689,404
Territory-wide System Assessment / Basic Competency Assessment		56,722,000	80,108,996
Sale of publications		14,339,117	15,950,097
Government grants		52,437,121	50,568,378
Interest income		4,447,615	4,068,166
Sundry income		15,641,849	15,449,214
	11	<u>\$ 450,391,318</u>	<u>\$ 469,512,206</u>
Expenditure			
Staff costs	12(b)	\$ 251,225,836	\$ 240,492,732
Examination personnel expenses		59,134,819	86,477,567
Administrative and other operating expenses		94,603,048	99,433,767
Depreciation		27,711,808	20,442,400
Finance costs		275,373	-
		<u>432,950,884</u>	<u>446,846,466</u>
Surplus and total comprehensive income for the year	12	<u>\$ 17,440,434</u>	<u>\$ 22,665,740</u>

Note: The Authority has initially applied HKFRS 16 at 1 September 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2(c).

The notes on pages 9 to 33 form part of these financial statements.

**Statement of changes in reserves
for the year ended 31 August 2020**
(Expressed in Hong Kong dollars)

	<i>Accumulated surplus</i>
At 1 September 2018	\$ 184,787,058
Surplus and total comprehensive income for the year	<u>22,665,740</u>
At 31 August 2019	\$ 207,452,798
Impact on initial application of HKFRS 16 (note 2(c))	<u>(104,768)</u>
At 1 September 2019	\$ 207,348,030
Surplus and total comprehensive income for the year	<u>17,440,434</u>
At 31 August 2020	<u>\$ 224,788,464</u>

The notes on pages 9 to 33 form part of these financial statements.

Cash flow statement for the year ended 31 August 2020 (Expressed in Hong Kong dollars)

	Note	2020	2019 (Note)
Operating activities			
Surplus for the year		\$ 17,440,434	\$ 22,665,740
Adjustments for:			
Depreciation		27,711,808	20,442,400
Interest income		(4,447,615)	(4,068,166)
Gain on disposal of fixed assets		(7,098)	(37,320)
Finance costs		275,373	-
		<hr/>	<hr/>
Operating surplus before changes in working capital		\$ 40,972,902	\$ 39,002,654
(Increase)/decrease in inventories		(395,517)	154,100
Decrease/(increase) in prepayments, sundry deposits and receivables		7,725,739	(5,909,204)
Increase in accounts payable and accruals		32,838,764	8,778,061
Increase/(decrease) in contract liabilities		8,706,912	(151,936)
Decrease in deferred government grants		(637,121)	(168,378)
		<hr/>	<hr/>
Net cash generated from operating activities		\$ 89,211,679	\$ 41,705,297
Investing activities			
Payment for the purchase of fixed assets		\$ (31,733,813)	\$ (26,201,790)
Proceeds from disposal of fixed assets		53,249	38,500
Increase in bank deposits with maturity over three months at acquisition		(9,219,000)	(11,052,400)
Interest received		4,846,837	3,439,974
		<hr/>	<hr/>
Net cash used in investing activities		\$ (36,052,727)	\$ (33,775,716)

Cash flow statement
for the year ended 31 August 2020 (continued)
(Expressed in Hong Kong dollars)

	Note	2020	2019 (Note)
Financing activities			
Capital element of lease rentals paid	6(b)	\$ (7,671,093)	\$ -
Interest element of lease rentals paid	6(b)	(275,373)	-
Net cash used in financing activities		<u>\$ (7,946,466)</u>	<u>\$ -</u>
Net increase in cash and cash equivalents		\$ 45,212,486	\$ 7,929,581
Cash and cash equivalents at 1 September		<u>109,679,568</u>	<u>101,749,987</u>
Cash and cash equivalents at 31 August	6	<u>\$ 154,892,054</u>	<u>\$ 109,679,568</u>

Note: The Authority has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 September 2019 to recognise right-of-use assets and lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Previously, cash payments under operating leases made by the Authority as a lessee of \$20,002,431 were classified as operating activities in the cash flow statement. Under HKFRS 16, except for short-term lease payments and payments for leases of low-value assets not included in the measurement of lease liabilities, all other rentals paid on leases are now split into capital element and interest element (see note 6(c)) and classified as financing cash outflows. Under the modified retrospective approach, the comparative information is not restated. Further details on the impact of the transition to HKFRS 16 are set out in note 2(c).

The notes on pages 9 to 33 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").

The resources of the Authority shall mainly consist of the fees paid by candidates taking examinations or assessments, or payments received for services rendered by the Authority and in the exercise of its powers and duties, as well as subsidies made available from time to time by the Government to assist towards the cost of conducting the specified examinations. In view of the continuously declining candidature of the HKDSE Examination, approval has been sought from the Finance Committee of the Legislative Council for an interim non-recurrent four-year funding commitment of \$360.8 million in support of the Authority's operation until 2021/2022, the Authority can receive funding to fulfill its cash flow requirement until 2021/22. A sum of \$51.8 million was transferred to the Authority in the second quarter of 2019/2020 having regard to the Authority's cash flow requirements. To sustain the operation of the Authority after 2021/2022, a joint Task Force on the Long-term Funding of the Authority has been set up in conjunction with the Education Bureau to explore possible long-term funding options. Hence, the Authority considers that there are no material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

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 or available for early adoption for the current accounting period of the Authority. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Authority for the current and prior accounting periods reflected in these financial statements.

2 Significant accounting policies (continued)

(b) Basis of preparation of the financial statements

The measurement basis 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.

(c) Changes in accounting policies

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Authority.

Except for HKFRS 16, *Leases*, none of the developments have had a material effect on how the Authority's results and financial position for the current or prior periods have been prepared or presented. The Authority has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16, *Leases*

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases - incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

2 Significant accounting policies (continued)

The Authority has initially applied HKFRS 16 as from 1 September 2019. The Authority has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 September 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

a. New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Authority applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 September 2019. For contracts entered into before 1 September 2019, the Authority has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

b. Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Authority is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Authority is concerned, these newly capitalised leases are primarily in relation to fixed assets as disclosed in note 3. For an explanation of how the Authority applies lessee accounting, see note 2(e)(i).

At the date of transition to HKFRS 16 (i.e. 1 September 2019), the Authority determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 September 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 1.52%.

2 Significant accounting policies (continued)

To ease the transition to HKFRS 16, the Authority applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Authority applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

The following table reconciles the operating lease commitments as disclosed in note 16(b) as at 31 August 2019 to the opening balance for lease liabilities recognised as at 1 September 2019:

	<i>1 September 2019</i>
Operating lease commitments at 31 August 2019	\$ 15,943,256
Less: commitments relating to leases exempt from capitalisation:	
- short-term leases and other leases with remaining lease term ending on or before 31 August 2020	(1,845,109)
	<u>\$ 14,098,147</u>
Less: total future interest expenses	(204,477)
Total lease liabilities recognised at 1 September 2019	<u>\$ 13,893,670</u>

The right-of-use assets in relation to leases previously classified as operating leases have been recognised as if the new standard had always been applied, discounted using the incremental borrowing rate at 1 September 2019.

2 Significant accounting policies (continued)

The following table summarises the impacts of the adoption of HKFRS 16 on the Authority's balance sheet:

Line items in the balance sheet impacted by the adoption of HKFRS 16:	<i>Carrying amount at 31 August 2019</i>	<i>Capitalisation of operating lease contracts</i>	<i>Carrying amount at 1 September 2019</i>
Fixed assets	\$ 53,597,643	\$ 13,788,902	\$ 67,386,545
Total non-current assets	53,597,643	13,788,902	67,386,545
Lease liabilities (current)	-	7,799,460	7,799,460
Current liabilities	154,007,962	7,799,460	161,807,422
Net current assets	168,958,872	(7,799,460)	161,159,412
Total assets less current liabilities	222,556,515	5,989,442	228,545,957
Lease liabilities (non-current)	-	6,094,210	6,094,210
Total non-current liabilities	15,103,717	6,094,210	21,197,927
Net assets	207,452,798	(104,768)	207,348,030

c. Impact on the financial result and cash flows of the Authority

After the initial recognition of right-of-use assets and lease liabilities as at 1 September 2019, the Authority as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Authority's statement of comprehensive income, as compared to the results if HKAS 17 had been applied during the year.

In the cash flow statement, the Authority as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element (see note 6(b)). These elements are classified as financing cash outflows, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the cash flow statement (see note 6(c)).

2 Significant accounting policies (continued)

(d) Fixed assets

Fixed assets, including right-of-use assets arising from leases of underlying 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
- Right-of-use assets	Over the remaining period of the lease

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.

(e) Leased assets

At inception of a contract, the Authority assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

2 Significant accounting policies (continued)

(i) As a lessee

(A) Policy applicable from 1 September 2019

At the lease commencement date, the Authority recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Authority enters into a lease in respect of a low-value asset, the Authority decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, as if HKFRS 16 had always been applied. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(d)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Authority will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2 Significant accounting policies (continued)

In the balance sheet, the Authority presents right-of-use assets within the same line item as similar underlying assets and presents lease liabilities separately. The difference between the initial balance of right-of-use assets and lease liabilities is adjusted to the opening balance of equity at 1 September 2019.

(B) Policy applicable prior to 1 September 2019

In the comparative period, as a lessee the Authority classified leases as finance leases if the leases transferred substantially all the risks and rewards of ownership to the Authority. Leases which did not transfer substantially all the risks and rewards of ownership to the Authority were classified as operating leases.

Where the Authority had the use of other assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

(f) 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.

(g) Account and other receivables

A receivable is recognised when the Authority has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Authority has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

The loss allowance is measured at an amount equal to lifetime expected credit loss ("ECL"), which are those losses that are expected to occur over the expected life of the account receivables. The loss allowance is estimated using the Authority's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

2 Significant accounting policies (continued)

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Authority recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of account and other receivables through a loss allowance account.

The gross carrying amount of a debtor or other receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Authority determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(h) *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.

(i) *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.

(j) *Contract liabilities*

A contract liability is recognised when the customer pays non-refundable consideration before the Authority recognises the related revenue. A contract liability would also be recognised if the Authority has an unconditional right to receive non-refundable consideration before the Authority recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(g)).

(k) *Provisions and contingent liabilities*

Provisions are recognised 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.

(l) *Revenue recognition and other income*

Income is classified by the Authority as revenue when it arises from the sale of goods, the provision of services in the ordinary course of the Authority's business.

2 Significant accounting policies (continued)

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Authority is expected to be entitled, excluding those amounts collected on behalf of third parties.

Further details of the Authority's revenue recognition policies are as follows:

(i) Examination fees income

Examination fees are recognised as income on completion of the respective examinations. In the case of examinations conducted for international and professional and other local examination bodies which is held on behalf of them, the handling fee will be recognised based on the percentage of the gross examination fee on completion of the examinations.

(ii) Income from Territory-wide System Assessment / Basic Competency Assessment

Income from Territory-wide System Assessment / 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 under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(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

HKDSE Exam System Grants is 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 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.

Government grants for general purposes are recognised as income when the grants have been received or are receivable.

2 Significant accounting policies (continued)

(m) 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, subject to a cap of monthly relevant income of \$30,000, 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.

(n) 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)

(o) 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>Right-of-use assets</i>	<i>Total</i>
Cost:						
At 1 September 2018	\$ 106,815,463	\$ 16,747,243	\$ 196,620,388	\$ 279,428	\$ -	\$ 320,462,522
Additions	2,232,450	949,515	18,860,952	306,139	-	22,349,056
Disposals	-	(625,195)	(8,308,976)	-	-	(8,934,171)
At 31 August 2019	<u>\$ 109,047,913</u>	<u>\$ 17,071,563</u>	<u>\$ 207,172,364</u>	<u>\$ 585,567</u>	<u>\$ -</u>	<u>\$ 333,877,407</u>
At 31 August 2019	\$ 109,047,913	\$ 17,071,563	\$ 207,172,364	\$ 585,567	\$ -	\$ 333,877,407
Impact on initial application of HKFRS 16	-	-	-	-	13,788,902	13,788,902
At 1 September 2019	\$ 109,047,913	\$ 17,071,563	\$ 207,172,364	\$ 585,567	\$ 13,788,902	\$ 347,666,309
Additions	5,927,621	10,964,217	15,427,128	-	15,537,114	47,856,080
Disposals	(7,663,467)	(659,741)	(7,199,250)	(279,428)	-	(15,801,886)
At 31 August 2020	<u>\$ 107,312,067</u>	<u>\$ 27,376,039</u>	<u>\$ 215,400,242</u>	<u>\$ 306,139</u>	<u>\$ 29,326,016</u>	<u>\$ 379,720,503</u>
Accumulated depreciation:						
At 1 September 2018	\$ 96,109,608	\$ 13,844,324	\$ 158,536,995	\$ 279,428	\$ -	\$ 268,770,355
Charge for the year	2,728,435	1,020,770	16,642,172	51,023	-	20,442,400
Written back on disposal	-	(624,015)	(8,308,976)	-	-	(8,932,991)
At 31 August 2019	<u>\$ 98,838,043</u>	<u>\$ 14,241,079</u>	<u>\$ 166,870,191</u>	<u>\$ 330,451</u>	<u>\$ -</u>	<u>\$ 280,279,764</u>
At 1 September 2019	\$ 98,838,043	\$ 14,241,079	\$ 166,870,191	\$ 330,451	\$ -	\$ 280,279,764
Charge for the year	3,039,279	2,179,006	14,445,663	61,228	7,986,632	27,711,808
Written back on disposal	(7,618,583)	(658,474)	(7,199,250)	(279,428)	-	(15,755,735)
At 31 August 2020	<u>\$ 94,258,739</u>	<u>\$ 15,761,611</u>	<u>\$ 174,116,604</u>	<u>\$ 112,251</u>	<u>\$ 7,986,632</u>	<u>\$ 292,235,837</u>
Net book value:						
At 31 August 2020	<u>\$ 13,053,328</u>	<u>\$ 11,614,428</u>	<u>\$ 41,283,638</u>	<u>\$ 193,888</u>	<u>\$ 21,339,384</u>	<u>\$ 87,484,666</u>
At 31 August 2019	<u>\$ 10,209,870</u>	<u>\$ 2,830,484</u>	<u>\$ 40,302,173</u>	<u>\$ 255,116</u>	<u>\$ -</u>	<u>\$ 53,597,643</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.

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	<i>Note</i>	<i>31 August 2020</i>	<i>1 September 2019</i>
Properties leased for own use	(i)	<u>\$ 21,339,384</u>	<u>\$ 13,788,902</u>

3 Fixed assets (continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2020	2019 (Note)
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	\$ 7,986,632	\$ -
Interest on lease liabilities (note 12(a))	\$ 275,373	\$ -
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 August 2020	8,974,503	-
Total minimum lease payments for leases previously classified as operating leases under HKAS 17	-	20,002,431

Note: The Authority has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 September 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. After initial recognition of right-of-use assets at 1 September 2019, the Authority as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See note 2(c).

During the year, additions to right-of-use assets were \$15,537,114. This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 6(c) and 9 respectively.

(i) Properties leased for own use

The Authority has obtained the right to use the properties as its office and warehouses through tenancy agreements. The leases typically run for an initial period of 2 to 3 years.

4 Inventories

	2020	2019
Stationery and printing materials	\$ 40,773	\$ 36,619
Publications	1,247,934	856,571
	<u>\$ 1,288,707</u>	<u>\$ 893,190</u>

4 Inventories (continued)

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2020	2019
Carrying amount of inventories sold	\$ 1,083,684	\$ 1,845,686

5 Prepayments, sundry deposits and receivables

	2020	2019
Amount due from the Education Bureau	\$ 6,843,717	\$ 19,819,195
Other receivables	10,576,286	10,902,104
Interest receivable	1,135,479	1,534,701
Prepayments and sundry deposits	14,502,633	8,927,076
	<u>\$ 33,058,115</u>	<u>\$ 41,183,076</u>

As at 31 August 2020, an amount of \$838,570 (2019: \$897,530) 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 15(a).

6 Cash and bank deposits

(a) Cash and cash equivalents comprise:

	2020	2019
Cash and cash equivalents		
- Cash at bank and in hand	\$ 154,892,054	\$ 109,679,568
Time deposits with maturity over three months at acquisition	180,430,000	171,211,000
	<u>\$ 335,322,054</u>	<u>\$ 280,890,568</u>

6 Cash and bank deposits (continued)

At 31 August 2020, cash and bank deposits amounting to \$98,671,445 (2019: \$78,329,966) 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 2020 bear interest at rates ranging from 0.40% to 2.04% (2019: 2.10% to 2.62%) per annum.

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Authority's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	<i>Lease liabilities</i> (Note 9)
At 31 August 2019	\$ -
Impact on initial application of HKFRS 16 (Note)	13,893,670
At 1 September 2019	<u>\$ 13,893,670</u>
Changes from financing cash flows:	
Capital element of lease rentals paid	\$ (7,671,093)
Interest element of lease rentals paid	(275,373)
Total changes from financing cash flows	<u>\$ (7,946,466)</u>
Other changes:	
Increase in lease liabilities from entering into new leases during the period	\$ 15,537,114
Interest expenses (note 12(a))	275,373
Total other changes	<u>\$ 15,812,487</u>
At 31 August 2020	<u>\$ 21,759,691</u>

Note: The Authority has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 September 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. See notes 2(c).

6 Cash and bank deposits (continued)

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2020	2019 (Note)
Within operating cash flows	\$ 8,974,503	\$ 20,002,431
Within financing cash flows	7,946,466	-
	<u>\$ 16,920,969</u>	<u>\$ 20,002,431</u>

Note: As explained in the note under cash flow statement, the adoption of HKFRS 16 introduces a change in classification of cash flows of certain rentals paid on leases. The comparative amounts have not been restated.

7 Contract liabilities

	31 August 2020	31 August 2019
Contract liabilities	<u>\$ 9,535,968</u>	<u>\$ 829,056</u>

Contract liabilities represents examination fees received in advance of examinations and service charges received for Territory-wide System Assessment to be conducted after the balance sheet date. As at 31 August 2020, all contract liabilities are expected to be recognised as revenue within one year.

Movements in contract liabilities

Balance at 1 September 2018	\$ 980,992
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(980,992)
Increase in contract liabilities as a result of increase in examination fees received during the year	<u>829,056</u>
Balance at 31 August 2019 and 1 September 2019	\$ 829,056
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(829,056)
Increase in contract liabilities as a result of increase in examination fees and service charges received during the year	<u>9,535,968</u>
Balance at 31 August 2020	<u>\$ 9,535,968</u>

8 Deferred government grants

(a) Deferred government grants are analysed as follows:

	<i>HKDSE Exam System Grants (note (i))</i>
At 1 September 2018	\$ 805,499
Less: Recognised as Government Grant income	<u>(168,378)</u>
At 31 August 2019	<u>\$ 637,121</u>
At 1 September 2019	\$ 637,121
Less: Recognised as Government Grant income	<u>(637,121)</u>
At 31 August 2020	<u>\$ -</u>

Amount to be recognised as income:

	2020	2019
Within one year	<u>\$ -</u>	<u>\$ 637,121</u>

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

	2020	2019
Depreciation of fixed assets funded by Government Grants	<u>\$ 637,121</u>	<u>\$ 168,378</u>

Note:

(i) 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 Lease liabilities

The following table shows the remaining contractual maturities of the Authority's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

	31 August 2020		1 September 2019 (Note)	
	Present value of the lease payments	Total lease payments	Present value of the lease payments	Total lease payments
Within 1 year	\$ 8,087,131	\$ 8,338,528	\$ 7,799,460	\$ 7,946,467
After 1 year but within 2 years	\$ 7,040,239	\$ 7,175,792	\$ 4,275,412	\$ 4,325,968
After 2 years but within 5 years	6,632,321	6,687,600	1,818,798	1,825,712
	<u>\$ 13,672,560</u>	<u>\$ 13,863,392</u>	<u>\$ 6,094,210</u>	<u>\$ 6,151,680</u>
	<u>\$ 21,759,691</u>	<u>\$ 22,201,920</u>	<u>\$ 13,893,670</u>	<u>\$ 14,098,147</u>
Less: total future interest expenses		(442,229)		(204,477)
Present value of lease liabilities		<u>\$ 21,759,691</u>		<u>\$ 13,893,670</u>

Note: The Authority has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 September 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Further details on the impact of the transition to HKFRS 16 are set out in note 2(c).

10 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:

	2020	2019
Contributions to defined contribution retirement plan	\$ 113,083	\$ 376,665
Salaries and other benefits	11,134,851	10,821,774
	<u>\$ 11,247,934</u>	<u>\$ 11,198,439</u>

10 Remuneration of key management personnel (continued)

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

	2020 Number	2019 Number
\$1,000,001 to \$1,500,000	-	2
\$1,500,001 to \$2,000,000	-	-
\$2,000,001 to \$2,500,000	1	-
\$2,500,001 to \$3,000,000	2	2
\$3,000,001 to \$3,500,000	-	1
\$3,500,001 to \$4,000,000	1	-
	<u>4</u>	<u>5</u>

11 Income

	2020	2019
Income from contracts with customers within the scope of HKFRS 15		
Hong Kong Diploma of Secondary Education Examination	\$ 182,121,708	\$ 186,677,951
International and professional and other local examinations	124,681,908	116,689,404
Territory-wide System Assessment/Basic Competency Assessment	56,722,000	80,108,996
Sale of publications	14,339,117	15,950,097
Sundry income	15,641,849	15,449,214
Revenue from other sources		
Government grants		
- Four-year Non-Recurrent Government Funding (note 1)	51,800,000	50,400,000
- HKDSE Exam System Grants (note 8(a))	637,121	168,378
Interest income	4,447,615	4,068,166
	<u>\$ 450,391,318</u>	<u>\$ 469,512,206</u>

11 Income (continued)

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 August 2020, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Authority's existing Territory-wide System Assessment is \$287 million (2019: \$367 million). This amount represents income expected to be recognised in the future for completion of its performance obligations, which is expected to occur over the next 3 years.

The Authority has applied the practical expedient in paragraph 121 of HKFRS 15 to its income from Hong Kong Diploma of Secondary Education Examination and International and professional and other local examinations such that the above information does not include information about income that the Authority will be entitled to when it satisfies the remaining performance obligations that had an original expected duration of one year or less.

12 Surplus for the year

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

	2020	2019 (Note)
(a) Finance costs		
Interest on lease liabilities (note 6(b))	\$ 275,373	\$ -
(b) Staff costs		
Contributions to defined contribution retirement plan	\$ 9,970,633	\$ 10,401,485
Salaries, wages and other benefits	241,255,203	230,091,247
	<u>\$ 251,225,836</u>	<u>\$ 240,492,732</u>
(c) Other items		
Auditor's remuneration	\$ 567,633	\$ 551,067
Total minimums lease payment for leases previously classified a operating lease under HKAS 17*		
- office premises	-	7,881,667
- examination halls and equipment	-	12,120,764
Depreciation (note 3)		
- other fixed assets	19,725,176	20,442,400
- right-of-use assets*	7,986,632	-
Expenses relating to short-term lease or lease with remaining lease term ending on or before 31 August 2020	8,974,503	-
Gain on disposal of fixed assets	(7,098)	(37,320)
Cost of inventories (note 4)	1,083,684	1,845,686

12 Surplus for the year (continued)

- * The Authority has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 September 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. After initial recognition of right-of-use assets at 1 September 2019, the Authority as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See note 2(c).

13 Taxation

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

14 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.

15 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

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Authority. The Authority's credit risks are primarily attributable to prepayments, sundry deposits and receivables and cash and bank deposits. Management manages these risks as follows:

The Authority's exposure to credit risk arising from cash and bank deposits is limited because the counterparties are banks with high credit ratings, for which the Authority considers to have low credit risk.

15 Financial risk management and fair values (continued)

Amounts due from Education Bureau and other receivables

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. 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 76% (2019: 89%) of total receivables was due from the Authority's five largest debtors.

The Authority measures loss allowances for amounts due from Education Bureau and other receivables at an amount equal to lifetime ECLs, which is calculated using the Authority's historical credit loss experience. At 31 August 2020, all amounts due from Education Bureau and other receivables, based on the invoice date (or date of revenue recognition, if earlier), are within 3 months. Given the customers of the Authority are mainly government-related bodies and reputable professional bodies and the Authority has not experienced any credit losses in the past, management considered that the allowance for expected credit loss is insignificant.

(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 following table shows the remaining contractual maturities at the end of the reporting period of the Authority's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Authority can be required to pay:

2020	Contractual undiscounted cash outflow				Carrying amount at 31 Aug
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
Lease liabilities (note)	\$ 8,338,528	\$ 7,175,792	\$ 6,687,600	\$ 22,201,920	\$ 21,759,691
Accounts payable and accruals	188,713,526	9,174,717	3,181,176	201,069,419	201,069,419
	<u>\$ 197,052,054</u>	<u>\$ 16,350,509</u>	<u>\$ 9,868,776</u>	<u>\$ 223,271,339</u>	<u>\$ 222,829,110</u>

Note: The Authority has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 September 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Other lease liabilities include amounts recognised at the date of transition to HKFRS 16 in respect of leases previously classified as operating leases under HKAS 17 and amounts relating to new leases entered into during the year. Under this approach, the comparative information is not restated. See note 2(c).

15 Financial risk management and fair values (continued)

2019	Contractual undiscounted cash outflow				Carrying amount at 31 Aug
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
Accounts payable and accruals	\$ 152,541,785	\$ 10,950,790	\$ 4,152,927	\$ 167,645,502	\$ 167,645,502

(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. The Authority considers that the exposure to interest rate risk from lease liabilities is minimal.

(d) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 August 2020 and 2019.

16 Commitments

(a) Capital commitments outstanding at 31 August 2020 not provided for in the financial statements were as follows:

	2020	2019
Contracted for	\$ 7,405,171	\$ 14,960,641

(b) At 31 August 2019, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2019
Within 1 year	\$ 8,628,856
After 1 year but within 5 years	7,314,400
	<u>\$ 15,943,256</u>

16 Commitments (continued)

The Authority is the lessee in respect of a number of properties held under leases which were previously classified as operating leases under HKAS 17. The Authority has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Authority adjusted the opening balances at 1 September 2019 to recognise lease liabilities relating to these leases (see note 2(c)). From 1 September 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 2(e), and the details regarding the Authority's future lease payments are disclosed in note 9.

17 Material related party transactions

Apart from the transactions and balances disclosed in notes 5, 8, 10 and elsewhere in the financial statements, the Authority did not enter into any other material related party transactions.

18 Comparative figures

The Authority has initially applied HKFRS 16 at 1 September 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2(c).

19 Possible impact of amendments and new standards issued but not yet effective for the year ended 31 August 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, *Insurance contracts*, which are not yet effective for the year ended 31 August 2020 and which have not been adopted in these financial statements. These include the following which may be relevant to the Authority.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKFRS 3, <i>Definition of a business</i>	1 January 2020
Amendments to HKAS 1 and HKAS 8, <i>Definition of material</i>	1 January 2020

The Authority is in the process of making an assessment of what the impact of these developments 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 financial statements.

Detailed supporting schedules
to the balance sheet at 31 August 2020
(Expressed in Hong Kong dollars)

Appendix I

	2020	2019
1 Prepayments, sundry deposits and receivables		
Interest on fixed deposits and savings account to be received	\$ 1,135,479	\$ 1,534,701
Service charges and expenses receivable from other examination bodies for the conduct of examinations in Hong Kong	8,474,762	9,980,020
Prepayments and other accounts receivable	15,530,625	8,951,460
Sundry deposits	1,073,532	897,700
Amount due from the Education Bureau for Territory-wide System Assessment / Basic Competency Assessment	-	18,639,980
Service charges and receivables from the Education Bureau	6,843,717	1,179,215
	<u>\$ 33,058,115</u>	<u>\$ 41,183,076</u>
2 Accounts payable and accruals		
Provision for unutilised annual leave	\$ 19,792,674	\$ 19,852,604
Provision for gratuity payments	31,805,631	24,205,591
Provision for examination personnel expenses	9,353,905	15,906,264
Amount due to The Associated Board of the Royal School of Music	88,396,010	72,758,118
Payables to fixed assets suppliers	7,553,823	6,968,670
Other accounts payable and accruals	44,167,376	27,954,255
	<u>\$ 201,069,419</u>	<u>\$ 167,645,502</u>

Detailed supporting schedules
to the statement of comprehensive income
for the year ended 31 August 2020
(Expressed in Hong Kong dollars)

	Appendix II	
	2020	2019
1 Income		
(a) Hong Kong Diploma of Secondary Education Examination		
Examination fees	\$ 157,827,050	\$ 161,579,489
Supplementary fees	732,995	945,236
Rechecking and remarking fees	23,561,663	24,153,226
	<u>\$ 182,121,708</u>	<u>\$ 186,677,951</u>
(b) International and professional and other local examinations		
International and professional and other local examinations	\$ 112,608,215	\$ 104,605,122
Language proficiency assessment for teachers	12,073,693	12,084,282
	<u>\$ 124,681,908</u>	<u>\$ 116,689,404</u>

Detailed supporting schedules
to the statement of comprehensive income
for the year ended 31 August 2020 (continued)
(Expressed in Hong Kong dollars)

	Appendix II (continued)	
	2020	2019
2 Expenditure		
(a) Staff costs		
Contract gratuities	\$ 18,448,532	\$ 17,051,593
Medical and dental	8,422,113	7,865,398
Overtime	704,539	910,422
Contributions to the retirement benefit scheme and the MPF scheme	9,970,633	10,401,485
Salaries and other allowances	202,456,691	190,860,327
Temporary staff	11,223,328	13,403,507
	<u>\$ 251,225,836</u>	<u>\$ 240,492,732</u>
(b) Examination personnel expenses		
Multiple choice item writers	\$ 130,712	\$ 141,899
Moderators/Setters/Examiners	10,729,362	11,009,225
Markers/Oral examiners	39,435,819	57,730,415
Centre supervisors and invigilators	5,225,119	12,488,425
Other examination personnel	3,613,807	5,107,603
	<u>\$ 59,134,819</u>	<u>\$ 86,477,567</u>

Detailed supporting schedules
to the statement of comprehensive income
for the year ended 31 August 2020 (continued)
(Expressed in Hong Kong dollars)

	Appendix II (continued)	
	2020	2019
2 Expenditure (continued)		
(c) Administrative and other operating expenses		
Air-conditioning, electricity and water	\$ 6,594,312	\$ 6,439,375
Audit fee	567,633	551,067
Barcode label and other scan cost	876,037	1,387,082
Building maintenance and cleaning	9,956,349	7,223,231
Computer service and maintenance	19,410,992	18,698,729
Examination materials	3,096,190	2,277,770
Furniture and equipment	959,755	976,757
Hired transport	3,029,703	4,258,483
Insurance	1,106,331	931,552
Legal consultancy and professional fees	4,647,830	1,658,255
Listening test recurrent expenses	640,190	739,930
Miscellaneous	5,839,072	3,038,790
Postage and air freight	765,701	1,065,971
Pretest	170,181	166,784
Printing, publication and stationery	14,455,801	17,550,578
Rent, management fees and rates	7,331,643	13,366,304
Rental of examination halls and equipment	8,915,704	12,120,764
Research project	347,358	180,913
Securing services	3,798,600	3,749,295
Staff training and travelling	729,192	1,353,434
Staff welfare	121,783	298,982
Telephone, fax and internet charges	1,242,691	1,399,721
	<u>\$ 94,603,048</u>	<u>\$ 99,433,767</u>

Hong Kong Examinations and Assessment Authority

Report on Activities for September 2019 – August 2020

Introduction

2019/2020 was a challenging yet accelerating year for the Hong Kong Examinations and Assessment Authority (HKEAA). The activities in this reporting year under the ‘new normal’ were multifarious, some were unconventional and some were particularly instrumental to a positive development of the Authority in the long run.

----- This report presents the HKEAA’s activities in two major areas in the financial year ending 31 August 2020, 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 Matters
- (B) Local, Mainland and Overseas Partnership
- (C) Human Resources and Administration, Finance and Information Technology (IT)
- (D) Quality Assurance

Part II Examinations and Assessments

- (A) HKDSE and Language Proficiency Assessment for Teachers (LPAT)
- (B) Research and Development
- (C) Territory-wide System Assessment (TSA)
- (D) International and Professional Examinations

Part I Corporate Governance and Development

(A) Corporate Matters

Council and Committees

1. Two new members were appointed and two incumbent members were re-appointed to the Council by the Government in this reporting year. The Heads of Universities Committee also nominated a new member to succeed the outgoing one. The new members joined induction programmes and would serve on various standing committees of the Council.

Engagement and Communication with Stakeholders

2. Four issues of the HKEAA e-News were published this year to provide updates on our latest development, including the HKDSE and other assessment services to local and overseas stakeholders. The 2018/2019 HKEAA Annual Report, covering the important milestones and achievements of the Authority was published in May 2020. Moreover, a booklet to introduce the HKDSE was released in June 2020. Printed copies were issued to secondary schools while an e-version is available on the HKEAA website.
3. Several physical and online events were organised to acquaint different stakeholders with our works. In January 2020, the annual Assessment Centre Open Day and the Information Seminars on the HKDSE Core Subjects attracted over 670 visits by members of the public, students and parents. In March, amidst the COVID-19 pandemic, a briefing session for examination personnel was held to provide schools with an overview of the contingency measures to be implemented during the 2020 HKDSE. Around 1,300 participants attended the briefing session, including 160 face-to-face and 1,140 via webinar. In August, an annual parents' seminar with more than 800 participants was also held online to raise parents' understanding about the HKDSE.
4. The HKEAA website recorded around 750,000 visitors per month during the reporting period, and the monthly number of visitors was over 1,000,000 between March and May 2020. The latest version of the HKDSE App had recorded more than 92,000 downloads since its release in early 2019. More than 50,000 of the 2020 HKDSE candidates had access to their personalised examination schedules via the App. Meanwhile the blog *DSE Express* had recorded a total of 106,500 unique visitors during the reporting year.

Media Relations

5. Five media conferences and 16 media interviews were arranged to provide the public with updated information on the 2020 HKDSE, in particular the contingency arrangements and precautionary measures taken to safeguard the health and safety of candidates and examination personnel. During the written examinations held from 24 April to 25 May, daily updates on numbers of candidates who were absent or rejected from examination centres due to sickness or having a fever or other symptoms were communicated to the press. During the reporting year, about 410 media enquiries,

tripling the number of the previous year, was recorded. Among them, more than 90% of media enquiries concerned the administration of the 2020 HKDSE and the controversy over the invalidation of Question 2(c) in History Paper 1.

Corporate Social Responsibility Programme

6. Subsequent to the first-round donation in June 2019, an additional 487 obsolete Onscreen Marking (OSM) computers were donated to 28 schools for educational use on campus or for use by needy students in October 2019. Due to the pandemic, two planned activities namely visit to Jockey Club Museum of Climate Change in late December 2019 and recycle of second hand items with Salvation Army in June 2020 were called off.

Recognitions and Awards

7. As of August 2020, 288 non-local tertiary institutions had acknowledged their acceptance of students with HKDSE qualification. In addition, 122 Mainland universities, as well as around 140 Taiwan higher education institutions had accepted students based on their HKDSE results.
8. The HKEAA was re-awarded “Manpower Developer” by the Employees Retraining Board (ERB) for another two years until 2022. First accredited in 2018 under the category of ‘Government Department, Public Body and NGO’ of the ‘ERB Manpower Developer Award Scheme’, the renewal of “Manpower Developer” status was a continued recognition of our exemplary achievement in manpower training and development, and in fostering an organisational culture conducive to life-long learning.
9. Two staff members received the Ombudsman’s Awards 2019 for Officers of Public Organisations in recognition of their achievements in providing quality customer service. Since 2012, a total of 13 staff members had received the same award.

HKEAA Code on Access to Information (the Code)

10. In 2019/2020, a total of 13 requests for access to information made under the Code were processed. Among them, five requests were fully complied with while two were partly complied with. Two requests were declined for reasons set out in Part 2 of the Code. One request was withdrawn while the HKEAA did not have the information concerned for the remaining three requests.

(B) Local, Mainland and Overseas Partnership

11. As a professional assessment organisation, the HKEAA was committed to knowledge sharing. Colleagues continued to play an active role by establishing network with other assessment authorities, and participating in or presenting papers in different international conferences.
12. The Secretary General (SG) delivered an opening address at the Evidence Based Practice International Conference 2019 in October organised by the Hong Kong Shue Yan University to share the vision and research experience of the Authority in promoting

assessment for learning. In addition, SG participated in various local conferences to establish networks with the education community.

13. An HKEAA delegation led by the SG attended the 45th International Association for Educational Assessment (IAEA) Annual Conference in Baku, Azerbaijan in September 2019. We reported ‘An empirical study on the effectiveness of double marking in HKDSE’ and ‘HKDSE Chinese Language speaking examination’ at the Conference. As a member of the IAEA Board of Trustees, SG also attended the IAEA Board meeting.
14. The HKEAA participated in a two-day meeting of the IAEA Recognition Committee in Cambridge, United Kingdom in January 2020 to develop a Framework of Recognition for benchmarks of good practice for examinations and assessments organisations.
15. In October 2019, the HKEAA presented two academic papers at the 2019 Academic Forum on English Language Testing in Asia Conference in Hanoi, Vietnam.
16. An HKEAA delegation visited the National Education Examinations Authority and Beijing Education Examinations Authority in October 2019 to explore opportunities for future collaborations.
17. The Authority signed a Memorandum of Understanding with The Education Examinations Authority of Guangdong Province in March 2020 to facilitate exchanges of ideas and experience about the development of computer-based test and other related research projects.
18. Representing both the HKEAA and the IAEA Board of Trustees, SG attended the 7th Annual Meeting of Network on Education Quality Monitoring in the Asia-Pacific (NEQMAP) in November 2019 in Bangkok. We joined two webinars organised by NEQMAP in April and May 2020 respectively to share with the international community the Authority’s practices and experiences in administering high-stakes examinations and assessments during the COVID-19 pandemic. In addition, our Director of Education, Assessment and Research was elected a member of the Steering Group of NEQMAP in April 2020 to advise and contribute to sustaining and building NEQMAP.
19. The Authority joined CITO – National Institute for Educational Measurement in Netherland in a bid for a United Nations Children’s Fund (UNICEF) project which selected institutions to provide technical services related to the design, implementation, reporting and use of findings on large-scale learning assessments in South-east Asia. We were awarded the project, which was the first time the Authority collaborated with an overseas organisation on an international project.

(C) Human Resources and Administration, Finance and Information Technology (IT)

Capacity Building

20. A few senior appointments including Director – Public Examination, Director – Corporate Services, General Manager – Assessment Development (Project) and General Manager – International and Professional Examinations took effect in the reporting year to drive the strategic planning and implement changes.

21. Subsequent to implementing the leadership development strategy in the past two years and riding on the outcome of the Training Needs Analysis, changes had been implemented at both corporate and divisional levels. These included strengthening the management/ supervisory training with emphasis on a positive and respectful culture, and raising awareness of changes in the operating environment and problem solving. Moreover, training on ISO9001, information security and legal compliance topics were also delivered.
22. As a new initiative, 'Learning Circle' was built for staff to promote an active learning culture and to keep abreast of the latest development in assessment and examinations field. In 2019/2020, four sharing sessions were organised with experts from The University of Hong Kong and The Education University of Hong Kong presented their research projects in cognitive diagnostic modeling and use of artificial intelligence in learning respectively. Our colleagues also shared their expertise and experiences in Rasch-based assessment and analysis of rating data with item response theory models.

Staff Communication and Engagement

23. An All-Staff-Meeting was held in January 2020 to share corporate updates and gauge staff feedback. At the Meeting, an Award Presentation Ceremony took place to recognise contributions and commitment of retired and long-serving staff, and to present awards to distinguished staff and award winners of the Staff Suggestion Scheme. In addition, amid the pandemic, staff communication continued via online meeting to continue promoting a collaborative labour-management culture.

Enhancement of Work and Service Environment

24. Apart from regular premises maintenance, several enhancement works were completed in San Po Kong Building, which included lift modernisation for wheelchair users, installation of mobile digital panels, and self-service kiosks. These improvement works paved way for gradual phasing out of the walk-in and mail-in registration. Further enhancement works would commence at Tai Hing Assessment Centre and Lai King Assessment Centre to cope with an increasing demand for computer-based tests.
25. Protecting staff health and safety whilst ensuring business continuity was one of the major concerns amid the pandemic. The Authority provided staff with face masks and disinfectant materials or disinfection services were available as requested. Staff were allowed working from home between February and April 2020 with enhanced IT support or adopting extended flexi-hour and flexi lunch arrangement.

Organisation Review and Streamlining of Governance Structure

26. Following an organisation review, the manpower structure and hierarchy level of Internal Audit Unit and Public Affairs & Communications Unit were streamlined by phase up to the first quarter of 2021 to bring about operation effectiveness and efficiency.
27. To streamline the operations of governance matters for greater efficiency, two sub-committees, namely Retirement Benefit Scheme Monitoring Committee (RBSMC) and Executive Remuneration Committee (ERC) were abolished with functions subsumed in other committees. The function of RBSMC to monitor performance of Mandatory

Provident Fund provider was subsumed under the Human Resources Committee while the role of ERC to review, moderate and confirm the annual performance appraisal ratings of staff at the Director level or above was taken up by the Strategic Development Committee.

Tackling Long Term Financial Challenges and Cost Containment

28. The joint Task Force on Long-term Funding held three meetings so far to discuss the key financial parameters, key implementation timelines, financial forecast and the way forward on sustainable long-term funding arrangements of the Authority.
29. Following the approval of the Finance Committee of the Legislative Council for the 4-year non-recurrent funding of \$360.8 million to support the operation of the Authority, the Authority received the second instalment of \$51.8 million in December 2019.
30. The Authority has been rigorously pursuing cost containment initiatives to enhance financial sustainability and public accountability. In 2019/2020, doubled efforts in driving down operation costs by streamlining and/ or consolidation of business processes were in place on various fronts, including the wider implementation of paperless meetings, withholding the setup of a dedicated team for enforcement of intellectual property rights, revamping data centre operations by deploying the ‘just-in-time’ concept, optimising the opening hours of OSM centres, reduction in printed materials, use of hired transport and postage, integration of hosting service and communication servers, low-cost Wifi and Cloud solution, etc. As a result, cost savings of around \$2 million have been achieved on an annual basis.
31. Furthermore, the Authority continues to review and identify scope for further cost reduction, in areas including but not limited to administrative operations, examination and assessment operations, as well as manpower structure.

Enhanced IT Support and Information Security

32. In order to simplify internal operations, the Authority puts extra effort in simplifying and re-engineering the work process. An Integrated Corporate Service System that supported corporate-wide financial, human resources, procurement and project management, is under development to replace the existing legacy systems. The advantages of database and system integration, such as simplifying workflow, increasing operation efficiency and minimising human-errors, etc would be realised together with the launches of more modules.
33. Similar technology refresh, namely HKDSE2 system development project, continues to improve the cost-efficiency of public examination operations. In addition, a feasibility study on developing a new generation of Public Examinations Support System by adopting the readily available mobile and Cloud-based solution has been initiated for a holistic business process review and an in-depth cost analysis.
34. Under the pandemic, the HKEAA adopted various IT solutions, for instance, corporate web mail services and secured ‘back-to-office’ connection via the virtual private network for around 200 essential staff to support the contingency ‘work from home’ arrangement. An online communication solution was made available for staff, and extra peripherals

(webcams and microphones) were installed for the office PCs to facilitate online communications. In general, staff responses to digitalisation are positive and changes to new normal are underway. The situation created an opportunity for the HKEAA to expediate the promotion of computer-based testing under social distancing. To strengthen the IT governance, the HKEAA has performed an Enterprise-wide Information Security Assessment and a cyber security drill partnered with the Cyber Security and Technology Crime Bureau of the Hong Kong Police to further enhance our capacity for handling information security incidents.

(D) Quality Assurance

ISO 9001 Quality Management System (QMS) Audit

35. The HKEAA is committed to providing fair, valid and reliable examinations and assessment services in a professional, efficient and effective manner. Since implementing the ISO9001 QMS in 2005, an annual internal audit review of the QMS for the conformity to the requirement of the ISO 9001 International Standard was conducted. It was confirmed that the QMS was effectively implemented and maintained. To fulfil the certification requirement of the ISO9001:2015, an annual surveillance audit was successfully conducted in February 2020 by the certification body with no non-conformity noted.

Risk Management and Internal Audit

36. We continue overseeing the risk assessment and reviewing the internal control of the Authority independently. A risk-and-effectiveness-based audit approach was adopted. Internal audits, such as the provisions of international and professional examinations services; delivery of examination materials, office documents/ materials and corporate cars management; and stock check and movement of publications and consumables had been conducted. No significant control deficiencies were noted and recommendations for process improvement/ enhancement had been/ would be adopted.
37. Moreover, as audited by an external consultant, the Authority's corporate governance framework was evaluated as 'Appropriate'. This implied our internal controls were generally adequate and only few findings or exemptions, which did not imply any significant weaknesses in the design or functioning of internal controls, were identified.

Part II Examinations and Assessments

(A) HKDSE and LPAT

2020 HKDSE amid the Pandemic

38. The June and September registrations for the 2020 HKDSE were successfully completed in July and October 2019 respectively, recording a total of 52,416 candidates, of whom 6,654 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, a briefing session attracting a total attendance of more than 250 school staff was held in September 2019.

39. Due to sudden upsurge in COVID-19 infections in the community, it was decided that the written examinations of Category A subjects would be postponed. Based on the recommendations of the Centre for Health Protection, Department of Health, a series of contingency and precautionary measures was formulated for implementation at the examination centres, with the cooperation and support of schools, teachers and examination personnel. The contingency and precautionary measures included requiring all candidates and invigilation staff to wear face masks at examination centres, making declaration on their health and not being subject to quarantine requirement on the examination day, etc. To safeguard the health and wellbeing of candidates and invigilation staff against possible infections, centre schools were requested to review the seating arrangements at their halls and classrooms so as to maintain approximately 1.5–1.8 meter spatial separation between candidates. As a result, 354 halls and more than 3,400 additional classrooms were provided by centre schools during the written examinations. More than 24,000 invigilation-sessions were organised for the written and listening papers, doubling the number of last year.
40. The HKEAA worked closely with the Education Bureau (EDB) in securing necessary supplies in desirable quantities before the commencement of 2020 HKDSE written examinations. The EDB allocated \$20M to support HKEAA acquiring necessary supplies, and provided 500,000 surgical masks, 200,000 alcohol hand sanitisers for the candidates. Moreover, the EDB provided 4,000 sets of protective gowns and face shields for examination personnel’s emergency use. Despite time constraint and limited availability of some products in market, these necessary supplies which included surgical masks, face shields, safety goggles, alcohol sanitisers of various sizes, alcohol hand spray, wet tissues with 75% alcohol of various sizes, latex gloves, thermometers of various types, and thermal imaging systems, etc. in desirable quantities were acquired through various channels.
41. The written examinations were scheduled between 24 April and 25 May 2020, while the speaking examination of the two language subjects were cancelled to reduce the risk of infection. Compared with the previous year, the candidature went down by 6.7% (from 56,159 to 52,416). The majority of the candidates were Secondary 6 students from 483 schools, who had completed the three-year senior secondary curriculum. The number of day school candidates decreased by 5.3%, while the number of private candidates dropped from 7,854 to 6,654 (dropped by 15%). A total of 83 private candidates had applied for withdrawal from the examination for being unable to satisfy the applicable visa or quarantine requirements.
42. Emergency works were carried out in three centres and six additional centres with fast setup were established within a short timeframe to space out the over-crowded workstations in OSM centres. Upon completion of the works and redistribution of workstations, the total number of workstations was adjusted from some 1,300 to some 1,100, which was barely sufficient to allow the marking to be completed as scheduled. The opening hours of the OSM centres were also largely extended. To ensure the health and well-being of markers, a series of precautionary measures were also implemented, such as compulsory to wear face masks, partitioning the workstations, filling in health declaration, body temperature checking, and constant disinfection of the workstations after use.

43. Despite the impact of pandemic on the post-examination operation, the processes of marking, mark processing and grading were completed smoothly as scheduled. However, the majority of the secure research tests could not be carried out to support grading of the core subjects due to school suspension. Consequently, grading procedures for the core subjects were streamlined and with the endorsement of the Standards Committee, the updated procedures were approved by the Public Examinations Board (PEB) for implementation this year. The grading of the elective subjects was not affected. Standards maintenance was carried out for all subjects to ensure that the grades awarded were comparable across years. Expert panel meetings for the grading of the core subjects and the elective subjects were held in late June and early July 2020 respectively and the results were released on 22 July as planned under the revised examination schedule.
44. 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, 1 and 58 cases respectively. In accordance with the Personal Data (Privacy) Ordinance, 10,850 HKDSE candidates filed DARs for examination-related personal data, including marked examination scripts for 25,911 subjects, before the scripts were destroyed.

Controversies over the HKDSE History Paper and Judicial Review (JR)

45. Following the controversies over the History Question, a 2020 HKDSE History candidate filed a JR application to the Court in relation to the Council's decision on invalidation of Question 2(c) of 2020 HKDSE History Paper 1. The Court hearing was held in July 2020. The applicant's application was dismissed on all grounds and the Court ordered the applicant to pay the Authority's legal costs. While the applicant did not appeal for the Judgement, he filed submission to vary the costs order. The legal team was working on the cost order and recovery.
46. A Task Force comprised of the EDB, representatives from education sector and the HKEAA was formed to understand the HKDSE examination question setting, moderation and approval mechanism and the compliance of the History examination paper within the mechanism. Following the recommendations of Internal Review on question setting and moderation, the HKEAA was exploring the use of suitable IT solution to enhance the question paper development process. Apart from reviewing and strengthening the guidelines on question paper development, and strengthening the alignment between curriculum and assessment, training would also be provided to examination personnel, thereby enhancing the quality and credibility of the HKDSE. Further measures might be introduced with reference to the investigation report from the EDB Task Force at a later stage.

Special Examination Arrangements for SEN Candidates

47. In 2019/2020, 3,494 applications for special examination arrangements (SEAs) for the 2020 and 2021 HKDSE were received, representing an increase of approximately 5% over 2018/2019. In the 2020 HKDSE, SEAs were provided for 3,156 SEN candidates. In written examinations, 147 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, 114 schools served as home-

cum-district centres to accommodate their own and other candidates with similar SEAs in the same district, while 14 special centres were set up to serve other SEN candidates.

48. In the 2020 HKDSE, the provision of speech-to-text software was extended to seven elective subjects (i.e. Chinese History, Ethics & Religious Studies, Geography, Health Management & Social Care, History, Literature in English, and Tourism & Hospitality Studies) besides Liberal Studies. A total of 215 candidates used the speech-to-text software in the relevant examinations.
49. As a whole, around 6,500 special question papers were produced for SEN candidates, similar in number to that of the 2019 examination. The number of question papers with special font size and word-and-space lining which require much effort to produce and screen reader question papers showed a marked increase to 30 sets and over 3,200 sets respectively this year (+76% and +21% as compared to 2019). 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

50. To enhance transparency and teachers' understanding of the examination, briefing sessions on the review of the 2019 examination were planned for all 24 Category A subjects and Applied Learning (ApL) subjects. In these sessions, teachers were briefed on the gist of the examination questions, marking criteria, and performance of candidates as revealed by examination statistics and actual samples of candidates' work. Samples at different levels of performance for all Category A subjects and ApL subjects were also uploaded to the HKEAA website to enable teachers, students and other stakeholders to better understand the standard of the HKDSE. In addition, the 2019 HKDSE Question Papers for the 24 Category A subjects were available for sale in early November for the reference of teachers and students.
51. In October and November 2019, about 50 sessions of briefing and training had to be cancelled due to social unrest. Powerpoint presentations were uploaded to the HKEAA website for teachers' reference instead. Nevertheless, over 50 workshops, conferences, and briefing and training sessions were conducted as planned in 2019/2020 for different subjects. Examples of these included workshops on question-setting and marking in written examinations, teachers' conferences and experience-sharing sessions on school-based assessment (SBA), and training sessions on designing SBA tasks and developing assessment rubrics for specific subjects.

Assessment Literacy Training (ALT) Programmes

52. A series of ALT Programme were scheduled for different stakeholders in 2019/2020. Although two ALT sessions for over 100 secondary school teachers were cancelled due to the pandemic, six ALT sessions were successfully conducted for over 350 participants from tutors of course providers of ApL (Chinese) and ApL subjects, management committee members of Catholic Diocesan Secondary Schools, Fire Services Department, five schools of the Tung Wah Group of Hospitals, and undergraduate students from The Open University of Hong Kong.

53. Riding on the positive feedback from participants in the last three years, the Course on English Language Assessment, a 10-session training course, was held again for 20 secondary school teachers to enhance their understanding of key areas of English language testing.

LPAT

54. Due to the pandemic, the LPAT written assessments was postponed to June 2020 while the speaking assessments were held in July 2020. A total of 1,213 candidates sat the English Language papers while 1,124 sat the Putonghua papers. The results (excluding Classroom Language Assessment) were released to candidates in August 2020. The outstanding Classroom Language Assessment carried out by the EDB was conducted from September to November 2020 with results notices to be issued in mid-December 2020. The Assessment Reports of the written and speaking assessments, which provided the chief examiners' observations on candidates' performance, including their strengths and areas for improvement, were released in October 2020 through the websites of the HKEAA and the EDB for the reference of candidates, schools and teacher education institutions while the Assessment Reports of the Classroom Language Assessment will be released in February 2021 through the websites of the HKEAA and the EDB.

Response to the Initial Recommendations of the Task Force on Review of School Curriculum (TF)

55. The Authority submitted its feedback following the discussion of Council and PEB on the initial recommendations to the TF in September 2019. We supported the TF's initial recommendations for creating space for students and would continue to fully support the TF's review by providing relevant examination data and professional advice to facilitate scenario analyses. Further responses and comments of the subject committees were also channelled to the respective CDC-HKEAA Committees for further deliberation.

Independent Commission Against Corruption (ICAC) Assignment Study

56. The Authority implemented a majority of recommendations from a collaborative study with ICAC concluded this year in reviewing the appointment and administration of examination personnel to ensure adequate safeguards against corruption and malpractice. With a view to enhancing awareness of examination personnel regarding integrity risks and malpractices when handling examination-related information, a training package, consisting of bilingual training video and leaflet on anti-corruption and conduct of examination personnel, were produced.

2021 HKDSE

57. The extended class suspension from January to September 2020 had severely disrupted normal school operation in the school years 2019/2020 and 2020/2021, thus adversely affecting the learning and teaching for the cohort of students sitting the 2021 HKDSE. In this connection, the HKEAA and EDB explored one-off contingency measures on the 2021 HKDSE to provide more flexibility for this specific cohort of students.

58. Except for Mathematics, the assessment frameworks of 23 Category A subjects were revised with a view to freeing up learning time and providing more flexibility for teachers and students. Some assessment tasks that required face-to-face contacts, needed to be completed in school or required intensive individual teacher guidance were cancelled or streamlined. In addition, the Assessment Schemes of some ApL subjects were also slightly modified.
59. The streamlining of the 2021 HKDSE was announced on 1 September 2020 and the revised Assessment Frameworks for the 2021 HKDSE was released on the Authority website on the same day.
60. As regard to the payment of examination fees for the 2021 HKDSE School Candidates by the Government, in light of the rewarding experience in the 2020 HKDSE, streamlined processes of registration and direct settlement of fee payments for School Candidates with the EDB would continue for the 2021 examination.

(B) Research and Development

Assessment Research

61. A number of research projects covering four HKDSE subjects were completed. These included a study on the impact of introducing set texts in HKDSE Chinese Language Reading Examination (Paper 1) on candidates' performance in reading comprehension; a study on measuring students' misconceptions using distractors: an example of learning algebra; and a study on exploring the impact of random guessing in distractor analysis. These projects aimed to evaluate the assessment design or gather empirical evidence to address queries held by teachers over the assessment of the subjects concerned. Preliminary findings of two other projects were obtained by August 2020. One was a differential item functioning study, examining whether the items in the compulsory section of the Business, Accounting and Financial Studies were biased towards candidates of the Accounting elective or the Business Management elective. The other one assessed the impacts of the newly introduced fieldwork-based question in the Geography examination.

Feasibility Study on Computer-delivered English-Speaking Examination

62. The HKDSE English Language computer-delivered Speaking paper feasibility study started with Phase I in May 2019. A group of stakeholders from a wide range of educational institutions and educational backgrounds were invited to express their views on computer-delivered speaking tests and also to propose a format for a computer-delivered HKDSE speaking paper. Based on these proposals, several potential assessment designs were drawn up for the development of the IT platform for running the pilot test in early 2020. In Phase II of the feasibility study, a prototype for the tests was devised to pilot the administration and the marking of the examination. A total of 118 Secondary 6 students from 10 different schools took part in the pilot tests (Phase III) which was carried out successfully in January 2020. Candidates' performance was recorded for marking which was completed in March. Feedback was also collected from oral examiners through a focus group session.

63. Phase IV of the feasibility study is now heading for completion. Two different linguistic analyses of the candidates' performance had been carried out with favourable results as to the validity of the pilot tests. Feedback from candidates and oral examiners had been collated along with the recommendations from project team members and their co-workers in the respective division. In the meantime, Phase V is also underway with a view to producing two further sample papers for the computer-delivered speaking examination based on the feedback provided by oral examiners and candidates on test and assessment guidelines which will serve as materials that may be required for further development of the project.

HKDSE Predicted Level Study

64. In order to provide more useful feedback to schools, the 2019 HKDSE Predicted Level Study adopted a new statistical analysis method known as 'multi-level logistic regression' and a survey to identify effective prediction strategy was added. A briefing seminar was conducted in October 2019 where 87 representatives from 71 participating schools received an oral presentation of the overall results as well as their individual school reports. Schools were very positive about the new elements of the study.
65. While the 2019 Predicted Level Study focused on the four core subjects, the HKEAA also conducted a study on the mechanism for predicting the results of all Category A subjects in the 2020 HKDSE for school candidates, which could be a contingency measure in case the HKDSE could not be conducted under extreme conditions. Schools were invited to respond to a survey on the source of internal assessment marks they used for this study, and one set of school assessment marks for their students for each Category A subject. A total of 377 schools submitted their school assessment marks of about 36,900 school candidates for the study, and received their school reports on prediction results in September 2020.

HKDSE Diagnostic Feedback System (HKDSE-DFS)

66. The HKEAA initiated the HKDSE-DFS project with an aim to providing more useful feedback to students and teachers and promote assessment for learning. In the first year of the project in 2019/2020, feedback for students and teachers was developed by subject expert panels for two selected HKDSE subjects, Mathematics and Chemistry. Past HKDSE assessment data were calibrated and statistical models were built to provide instant diagnostic feedback to students and teachers.
67. The prototype of the HKDSE-DFS was developed with interactive functions that facilitate both students and teachers to complete the test online and get different kinds of instant feedback in a convenient way. Instead of developing a separate platform, the existing Online Question Bank platform was adapted for the purpose via collaboration with the Hong Kong Education City Limited. In order to collect more valuable user experience information about the feedback system, a few schools would be invited to join a pilot scheme to test the functionality of the prototype.

Benchmark Study

68. The benchmarking study between the International English Language Testing System (IELTS) and the HKDSE English Language Examination was completed in December

2019. In this study, school candidates taking the 2019 HKDSE English Language Examination were invited to share their IELTS results with the Authority. Valid IELTS results from 204 candidates were collected and the results showed a high correlation between the overall results of participants in the two language assessments. When compared with the previous benchmarking study in 2012, the mean IELTS Band Score corresponding to each HKDSE English Language Examination level of the 2019 study was a bit higher than the results of the 2012 study.

Quality Assessment Management Accreditation Scheme (QAMAS)

69. In recognition of their commitment to quality examination and assessment management, 33 primary and secondary schools were accredited in the 2019 QAMAS certificate presentation ceremony in November 2019. About 100 principals and teachers attended the event. Meanwhile, a primary school shared their experience in enhancing feedback to parents through qualitative results reporting. As the QAMAS accreditation framework had been reviewed and revised to incorporate new requirements in risk management and communication stakeholders, participants were briefed on the new accreditation framework at the event.
70. We conducted 10 school visits before school suspension in late January 2020 and finished another eight school visits after school resumption in May and June 2020 to further promote QAMAS. Apart from regular checks on schools' assessment operation procedures during assessment this year, we put extra efforts in interviewing school teachers to understand their risk management strategies.

Assessment Quality-assurance Platform (AQP)

71. The e-marking module of the AQP, which contained the website and tablet application, was completed in December 2019. It provided basic functions for e-marking, including inputting item scores, writing comments on students' performance, extracting good work or common mistakes from students' work, etc. This e-marking module was expected to not only facilitate item mark input to the AQP but also encourage teachers to share examples of students' good work in teaching, thereby help promote assessment for learning in schools. Several primary and secondary schools joined a pilot scheme to use the e-marking platform and they provided suggestions on functions that fit better with their marking work-flows at school. Despite the pandemic, a total of four on-site training sessions to school teachers as well as two sessions to in-service teachers were conducted.

A Study on Automated Scoring for English Writing Tasks

72. A study on automated scoring for English writing tasks was initiated with the purpose of investigating the accuracy of applying an existing automated scoring system to HKDSE English Language examination and Territory-wide System Assessment (TSA) English Language assessment writing tasks. In this study, the Authority collaborated with one of the companies that offers automated scoring systems to evaluate the feasibility of automated scoring for English writing tasks. System training was completed by the end of August 2020 and the study was expected to be completed by the end of 2020.

(C) Territory-wide System Assessment (TSA)

73. The TSA 2019 was completed smoothly. The 2019 was a year for full implementation at all three levels, i.e. Primary 3 (P3), Primary 6 (P6) and Secondary 3 (S3). The results revealed that students' performance was found steady across the years.
74. The HKEAA provided schools with four kinds of reports, namely Existing version, Simplified version, Integrated version and Information Analysis Report; which could be downloaded via the Basic Competency Assessments system with secure login passwords. To facilitate teachers' use and analysis of TSA data, the Online Item Analysis Report was also provided. In addition, reports on non-Chinese speaking (NCS) students' performance in English Language and Mathematics were newly introduced. Furthermore, reports on the performance of students with special educational needs (SEN) in Chinese Language, English Language and Mathematics were made newly available to schools. Schools with five or more NCS or SEN students participating in the TSA could obtain relevant reports for reference on learning and teaching.
75. To facilitate teacher's better understanding of students' performance, a total of 18 TSA seminars on performance of general students as well as that of NCS and SEN students were organised in November and December 2019. A Paper Review Focus Group meeting was held for each subject at each of the three levels in December 2019 for sustaining ongoing improvement on item development. Views and suggestions on the TSA 2019 assessment items and marking schemes were collected and sent to the moderation committees as reference for future development of the assessment papers and marking schemes.
76. Due to the pandemic, the EDB announced the cancellation of TSA 2020 and suggested that the TSA 2020 materials developed be deployed for school use. Hence, the "Gainful Use of TSA 2020 Materials" exercise was implemented in collaboration with the EDB and the Hong Kong Education City. One paper for each language subject (i.e. Reading, Listening and Writing) and two Mathematics papers were provided to schools for each level. The HKEAA was responsible for printing, delivering and collecting the aforementioned assessment materials to all primary and secondary schools. Marking services were provided for writing papers upon school request. The whole arrangement was separated into two periods i) between late June and early July; and ii) between mid-September and mid-October. Schools could join either one of the two periods on a voluntary basis. Reports, named as "Students' Performance Analysis" would be provided to schools completing the online version or applied for marking services for writing. These reports were aimed at facilitating schools' understanding of the students' learning situation, especially after class suspension.
77. In order to collect information on students' learning situation during class suspension, the EDB designated the Authority to conduct a questionnaire survey. Four sets of questionnaires, including principal, teacher, student and parent questionnaires, were developed and sent to schools. Responses to the questionnaires were received and the data collected were processed.
78. To catch up with the worldwide trends of e-assessment, we conducted a feasibility study of e-Chinese Audio-visual Assessment (e-CAV). At the meeting of the Advisory Committee on Basic Competency Assessment held in mid-May 2020, members were

briefed about the study plan. This small-scale trial, by using the e-survey platform of the Authority, was conducted at P3 and P6 in around seven schools after schools resumed. The target participants were required to complete the e-CAV assessment as well as an online survey. Principals, teachers and students were interviewed to solicit their views on the e-assessment mode for future development.

(D) International Professional Examinations

Candidate Entries

79. The total candidature of international and professional examinations in 2019/2020 was 161,977, representing a decline of around 43.8% compared with last year. The decline resulted mainly from the cancellation of examinations due to social unrest and the pandemic. However, there were growth in income, mainly contributing from Advanced Placement examinations project which involved Mainland students registering online through the Authority.

Outreach Activities

80. Due to the pandemic and travel restrictions imposed, most outreach activities had been put on hold. Outreach through online meetings with selected examination boards had been arranged instead for exploring different options to replace paper-based testing.

New Examinations Introduced in 2019/2020

81. New examinations introduced to the public include:

Examination Body	Examination Name	Examination Format	Place of Origin
Correctional Services Department, the Government of the Hong Kong SAR	Written Examination of Officer Recruitment	Paper Based	HKSAR
UK Visas & Immigration Department (UKVI)	<ul style="list-style-type: none"> • LanguageCert International ESOL SELT A1 (Speaking & Listening) • LanguageCert International ESOL SELT A2 (Speaking & Listening) • LanguageCert International ESOL SELT B1 (Listening, Reading, Writing, Speaking) • LanguageCert International ESOL SELT B1 (Speaking & Listening) • LanguageCert International ESOL SELT B2 (Listening, Reading, Writing, Speaking) • LanguageCert International ESOL SELT C1 (Listening, Reading, Writing, Speaking) • LanguageCert International ESOL SELT C2 (Listening, Reading, Writing, 	Computer Based	UK

Examination Body	Examination Name	Examination Format	Place of Origin
	Speaking)		
OutSystems	<ul style="list-style-type: none"> • Associate Web Developer (OutSystems 11) • Associate Mobile Developer (OutSystems 11) • Professional Web Developer (OutSystems 10) 	Computer Based	USA
Institute of Structural Engineers (IStructE)	Chartered Membership Examination	Paper Based	UK
Chartered Financial Analyst (CFA) Institute	Certificate in Investment Performance Measurement (CIPM) Level I & II examinations	Computer Based	USA
Australian Council for Educational Research	International Students Admissions Test	Computer Based	Australia
International Board of Lactation Consultant Examiners (IBLCE)	International Board Certified Lactation Consultant (IBCLC)	Computer Based	USA
Camberwell Grammar School	Camberwell Grammar School Entrance Test	Paper Based	Australia
James Ruse Agricultural High School	James Ruse Agricultural High School Entrance Test	Paper Based	Australia
Melbourne Grammar School	Melbourne Grammar School Entrance Test	Paper Based	Australia
Wesley College	Wesley College Entrance Test	Paper Based	Australia

Conclusion

2019/2020 was an extraordinary year for the HKEAA. We did not simply overcome the challenges with lessons learnt and growth opportunities explored, but also made a number of achievements in different areas. The concerted effort of staff members and synergy with stakeholders made the 2020 HKDSE safe and reliable despite most international public examinations globally were cancelled. The implementation of HKDSE Predicted Level Study, the development of HKDSE Diagnostic Feedback System, the exploration of computer-delivery in HKDSE English Language speaking examinations and the automatic scoring in English writing tasks in HKDSE and TSA, the experience gained in managing crises, the technology refresh for process re-engineering, and the launch of online events, etc., all facilitated the Authority to continuously uphold our professionalism and strive for operational excellence. In the coming year, we are committed to continue promoting assessment for learning and strengthening our research capability for our long-term sustainable development.

Secretary General
Hong Kong Examinations and Assessment Authority
December 2020

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY

Programme of Activities

1 September 2019 – 31 August 2020

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	45,762	45,257
Day School Candidates	44,521	44,127
Day School First Attempters	44,336	43,950
Private Candidates	6,654	5,552
All Candidates	52,416	50,809

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

Number of Candidates Sat	English Language	1,213
	Putonghua	1,124

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. Abbotsleigh School
2. ABRSM
3. Academy of Clinical Research Professionals
4. ACT, Inc.
5. ACTION Certification LLC
6. American Board of Industrial Hygiene (ABIH)
7. American Petroleum Institute
8. American Society for Industrial Security International
9. American Society for Quality (ASQ)
10. American Welding Society
11. Athabasca University
12. Australian Council for Educational Research
13. BEAM Society Limited

14. Beijing Dance Academy
15. Camberwell Grammar School
16. Cambridge Assessment International Education
17. Cambridge Boxhill Language Assessment
18. Center for Talented Youth - Johns Hopkins University
19. Central Conservatory of Music
20. CFA Institute
21. Charles Sturt University
22. Chartered Institute for Securities & Investment
23. Chartered Institute of Linguists
24. Chartered Market Technicians Association
25. China Art Science Technology Research Institute
26. China Legal Service (H.K.) Ltd.
27. Chinese Medicine Council of Hong Kong
28. Civil Aviation Department, the Government of the Hong Kong SAR
29. Competency & Credentialing Institute
30. Civil Service Bureau, the Government of the Hong Kong SAR
31. Correctional Services Department, the Government of the Hong Kong SAR
32. Deakin University
33. Edith Cowan University (ECU)
34. Educational Records Bureau
35. Educational Testing Service
36. Electrical & Mechanical Services Department, the Government of the Hong Kong SAR (Electricity Legislation Division)
37. European Personnel Selection Office
38. Financial Industry Regulatory Authority (FINRA)
39. Fire Services Department, the Government of the Hong Kong SAR
40. Governance Institute of Australia
41. Government Flying Service, the Government of the Hong Kong SAR
42. Green Building Certification Institute
43. Home Affairs Department, the Government of the Hong Kong SAR
44. Hong Kong Ballroom Dancing Council
45. Hong Kong Dance Federation
46. Hong Kong Institute of Accredited Accounting Technicians Limited
47. Hong Kong Institute of Architects
48. Hong Kong Institute of Certified Public Accountants
49. Hong Kong Institute of Chartered Secretaries
50. ICSA: The Chartered Governance Institute
51. Institute of Applied Linguistics, Ministry of Education

52. Institute of Certified Management Accountants (ICMA)
53. Institute of Financial Planners of Hong Kong
54. Institution of Fire Engineers (IFE)
55. Insurance Institute of Canada
56. Internal Revenue Service (IRS)
57. International Council for Veterinary Assessment
58. International Facility Management Association (IFMA)
59. International Institute of Business Analysis
60. James Ruse Agricultural High School
61. Johns Hopkins Center for Talented Youth
62. Lands Department, the Government of the Hong Kong SAR
63. Law School Admission Council
64. Massey University
65. Medical Council of Canada
66. Melbourne Grammar School
67. Ministry of Justice, PRC
68. Monash University
69. Moody's Investors
70. National Board for Certification in Occupational Therapy
71. National Council of Architectural Registration Boards
72. National Educational Examinations Authority, PRC
73. Office of the Government Chief Information Officer, the Government of the Hong Kong SAR
74. OutSystems
75. Paragon Testing Enterprises
76. Pearson Edexcel
77. Pearson Language Tests
78. Professional Liability Underwriting Society (PLUS)
79. Royal Academy of Dance
80. Royal College of Ophthalmologists
81. Self-Study Examination Office, The Education Examinations Authority of Guangdong Province
82. Society for Human Resource Management
83. Society of Actuaries
84. The Association of Chartered Certified Accountants (ACCA)
85. The Association of International Accountants
86. The Casualty Actuarial Society
87. The Chartered Insurance Institute
88. The College Board

89. The Commonwealth Society of Teachers of Dancing (CSTD)
90. The Enrollment Management Association
91. The Institute of Structural Engineers
92. The Institutes: Risk and Insurance Knowledge Group
93. The Open University
94. The Securities Analysts Association of Japan (SAAJ)
95. The Taxation Institute of Hong Kong
96. The University of British Columbia
97. The University of Warwick
98. University of Georgia
99. University of Leicester
100. University of London
101. University of South Australia
102. University of Southern Queensland
103. Wesley College

4. The total candidature of examinations administered by the International and Professional Examinations Division was close to 162,000 in 2019/2020, the distribution of which is given below:

