

Audited Financial Statements

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
香港考試及評核局

(Established in Hong Kong under the Hong Kong Examinations and
Assessment Authority Ordinance)

31 August 2023

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
香港考試及評核局

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Independent auditor's report

To the Council of Hong Kong Examinations and Assessment Authority

香港考試及評核局

(Established in Hong Kong under the Hong Kong Examinations and Assessment Authority Ordinance)

Opinion

We have audited the financial statements of Hong Kong Examinations and Assessment Authority (the "Authority") set out on pages 4 to 32, which comprise the statement of financial position as at 31 August 2023, and the statement of comprehensive income and expenditure, the statement of changes in reserves and the statement of cash flows 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 2023, 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 ("HKSAs") 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.

Information other than the financial statements and auditor's report thereon

The Authority is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Authority determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report (continued)

To the Council of Hong Kong Examinations and Assessment Authority

香港考試及評核局

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Responsibilities of the Authority for the financial statements (continued)

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.

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. Our 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.
- 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.

Independent auditor's report (continued)

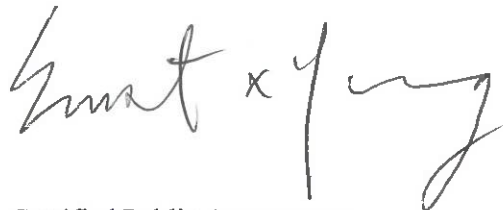
To the Council of Hong Kong Examinations and Assessment Authority

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(Established in Hong Kong under the Hong Kong Examinations and Assessment Authority Ordinance)

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

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.



Certified Public Accountants

Hong Kong

12 DEC 2023

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
香港考試及評核局

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

Year ended 31 August 2023

	Notes	2023 HK\$	2022 HK\$
INCOME			
Hong Kong Diploma of Secondary Education Examination		188,706,693	178,276,408
International and professional and other local examinations		91,046,313	90,597,210
Territory-wide System Assessment		103,063,000	77,351,000
Sale of publications and license fee		12,801,553	13,357,910
Government grants		-	198,270,000
Interest income		17,253,699	2,683,028
Sundry income		<u>19,316,269</u>	<u>16,183,167</u>
Total income	4	<u>432,187,527</u>	<u>576,718,723</u>
EXPENDITURE			
Staff costs		235,659,963	234,292,027
Examination personnel expenses		75,690,659	57,883,355
Administrative and other operating expenses		110,968,821	115,642,527
Depreciation		32,914,751	32,181,627
Finance costs	6	<u>104,668</u>	<u>170,906</u>
Total expenditure		<u>455,338,862</u>	<u>440,170,442</u>
(DEFICIT)/SURPLUS FOR THE YEAR AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR			
	5	<u>(23,151,335)</u>	<u>136,548,281</u>

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
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STATEMENT OF FINANCIAL POSITION

31 August 2023

	Notes	2023 HK\$	2022 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	9(a)	122,024,071	73,017,362
Right-of-use assets	9(b)(i)	3,028,816	11,130,381
Total non-current assets		<u>125,052,887</u>	<u>84,147,743</u>
CURRENT ASSETS			
Inventories	10	1,046,782	1,196,204
Prepayments, deposits and other receivables	11	65,097,032	35,964,377
Cash and bank deposits	12	463,900,802	428,257,717
Total current assets		<u>530,044,616</u>	<u>465,418,298</u>
CURRENT LIABILITIES			
Accounts payables, accruals and deferred income	13	260,310,191	113,964,034
Contract liabilities	14	64,938	4,946,791
Lease liabilities	9(b)(ii)	3,124,903	8,298,764
Total current liabilities		<u>263,500,032</u>	<u>127,209,589</u>
NET CURRENT ASSETS		<u>266,544,584</u>	<u>338,208,709</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>391,597,471</u>	<u>422,356,452</u>
NON-CURRENT LIABILITIES			
Accounts payable and accruals	13	11,233,411	15,716,154
Lease liabilities	9(b)(ii)	-	3,124,903
Total non-current liabilities		<u>11,233,411</u>	<u>18,841,057</u>
Net assets		<u>380,364,060</u>	<u>403,515,395</u>
RESERVES			
Accumulated surplus		<u>380,364,060</u>	<u>403,515,395</u>

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

Chairman

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
香港考試及評核局

STATEMENT OF CHANGES IN RESERVES

Year ended 31 August 2023

	Accumulated surplus HK\$
At 1 September 2021	266,967,114
Surplus for the year and total comprehensive income for the year	<u>136,548,281</u>
At 31 August 2022 and 1 September 2022	403,515,395
Deficit for the year and total comprehensive loss for the year	<u>(23,151,335)</u>
At 31 August 2023	<u><u>380,364,060</u></u>

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
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STATEMENT OF CASH FLOWS

Year ended 31 August 2023

	Notes	2023 HK\$	2022 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/surplus for the year		(23,151,335)	136,548,281
Adjustments for:			
Finance costs	6	104,668	170,906
Interest income	4	(17,253,699)	(2,683,028)
Depreciation of items of property, plant and equipment and right-of-use assets	5	32,914,751	32,181,627
Loss/(gain) on disposal of items of property, plant and equipment	5	<u>2,424</u>	<u>(710)</u>
		(7,383,191)	166,217,076
Decrease/(increase) in inventories		149,422	(122,490)
Increase in prepayments, deposits and other receivables	15	(22,700,410)	(1,507,948)
Increase in accounts payable, accruals and deferred income	15	151,752,732	30,738,215
Decrease in contract liabilities		<u>(4,881,853)</u>	<u>(4,358,794)</u>
Cash generated from operations		116,936,700	190,966,059
Interest element on lease liabilities		<u>(104,668)</u>	<u>(170,906)</u>
Net cash flows from operating activities		<u>116,832,032</u>	<u>190,795,153</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	15	10,821,454	1,493,380
Purchases of items of property, plant and equipment	9(a), 15	(83,711,637)	(25,374,691)
Proceeds from disposal of items of property, plant and equipment		-	710
Increase in non-pledged time deposits with original maturity of more than three months when acquired		<u>(83,240,000)</u>	<u>(283,000,000)</u>
Net cash flows used in investing activities		<u>(156,130,183)</u>	<u>(306,880,601)</u>
CASH FLOWS FROM A FINANCING ACTIVITY			
Principal portion of lease payments and cash flow used in a financing activity	15(b)	<u>(8,298,764)</u>	<u>(8,269,441)</u>

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HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
香港考試及評核局

STATEMENT OF CASH FLOWS (continued)

Year ended 31 August 2023

	2023 HK\$	2022 HK\$
NET DECREASE IN CASH AND CASH EQUIVALENTS	(47,596,915)	(124,354,889)
Cash and cash equivalents at beginning of year	<u>113,867,717</u>	<u>238,222,606</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>66,270,802</u>	<u>113,867,717</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balance	<u>66,270,802</u>	<u>113,867,717</u>

NOTES TO FINANCIAL STATEMENTS

31 August 2023

1. AUTHORITY INFORMATION

The Hong Kong Examinations and Assessment Authority (“HKEAA”) was incorporated in Hong Kong on 5 May 1977 and is an independent statutory body established under the Hong Kong Examinations and Assessment Authority Ordinance (Chapter 261).

The office of the Authority is located at 12/F-14/F, Southern Centre, No. 130 Hennessey Road, Wan Chai, Hong Kong.

The principal activities consist of administering public examinations and international and professional examinations in Hong Kong.

2.1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all 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.

2.2. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention. They are presented in Hong Kong dollars which is also the Authority’s functional currency.

2.3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Authority has adopted the following revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKFRS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKFRS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The adoption of the above revised HKFRSs has had no significant financial effect on these financial statements.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

2.4. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Authority has not applied any of the new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its associate or Joint Venture</i> ³
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> ²
HKFRS 17	<i>Insurance Contracts</i> ¹
Amendments to HKFRS 17	<i>Insurance Contracts</i> ^{1,5}
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative information</i> ⁶
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 amendments”)</i> ^{2,4}
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> ¹
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> ¹
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ No mandatory effective date yet determined but available for adoption

⁴ As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

⁵ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

⁶ An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of HKFRS 17

The Authority is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Authority considers that these new and revised HKFRSs are unlikely to have a significant impact on the Authority’s results of operations and financial position.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

2.5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of non-financial assets

The Authority assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If such an indication exists, the Authority makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its 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 asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

An impairment loss is recognised in income or expenditure whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to income or expenditure in the year in which it arises.

Related parties

A party is considered to be related to the Authority if:

- (a) the party is a person or a close member of that person's family and 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;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Authority are members of the same group;
 - (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) the entity and the Authority 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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Authority.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

2.5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life as follows:

Owned assets

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

The assets' residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a renovation under progress, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of renovation. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

2.5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Lessee

A contract is, or contains, a lease if the contract conveys a 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 obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. All leases with a term of more than 12 months are recognised as assets representing the right of use of the underlying asset and liabilities representing the obligation to make lease payments, unless the underlying asset is of low value. Both the assets and the liabilities are initially measured on a present value basis. Right-of-use assets are recognised under property, plant and equipment and are measured at cost or valuation less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful lives of the assets and the lease terms. Lease liabilities are initially measured at the present value of lease payments to be made under the lease terms and subsequently adjusted by the effect of the interest on and the settlement of the lease liabilities, and the re-measurement arising from any reassessment of the lease liabilities or lease modifications.

Depreciation is calculated on the straight-line basis to write off the cost of right-of-use asset to its residual value over its estimated useful life as follows:

Right-of-use assets

Buildings

Over the remaining period of the leases

Financial assets

All the other financial assets are initially recognised at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss. Regular way purchases and sales of financial assets are recognised on the trade date, that is, the date when the Authority commits to purchase or sell the assets.

(a) Classification and measurement

Debt instruments are measured at amortised cost using the effective interest rate method, subject to impairment if the assets are held for the collection of contractual cash flows where those contractual cash flows represent solely payments of principal and interest.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

2.5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

(b) Impairment

The Authority applies the expected credit loss (“ECL”) model on all the financial assets that are subject to impairment.

For other financial assets, impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Authority is required to provide for credit losses that result from possible default events. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Authority considers a default of a financial asset has occurred when the Authority determined that the debtors does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(c) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired; or where the Authority has transferred its contractual rights to receive the cash flows of the financial assets and has transferred substantially all the risks and rewards of ownership; or where control is not retained.

Financial liabilities

Financial liabilities include lease liabilities and other payables and accruals. They are initially stated at fair value net of directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

2.5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to disposal.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and bank balances comprise cash on hand and demand deposits, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the statement of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Authority has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Authority transfers goods or services to the customers, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Authority performs under the contract.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income recognition

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 gross examination fee on completion of the examinations. The performance obligation of examinations is satisfied when the respective examinations are completed and payment is generally received in advance or due within 30 to 90 days. 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 and payment is generally due within 30 to 90 days.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

2.5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income recognition (continued)

Income from Territory-wide System Assessment

Income from Territory-wide System 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. The performance obligation of Territory-wide System Assessment is satisfied over time and measured based on the percentage of completion method, by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

Sale of publications and license fee

Revenue arising from the sale of publications and license fee 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 or receipt of payment for license fee. The performance obligation of sale of publications and license is satisfied on the transfer of risks and rewards of ownership, and payment for retail sales is due immediately, otherwise is generally due within 30 days from delivery.

Income from other sources

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Employee benefits

Pension scheme

The Authority operates two pension schemes in Hong Kong, namely the Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance and a defined contribution retirement benefit scheme as defined in the Occupational Retirement Schemes Ordinance (the "ORSO Scheme"), for all of its employees.

The assets of the MPF and ORSO Schemes are held separately from those of the Authority in independently administered funds.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Authority's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Authority's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of non-financial assets

The Authority assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

As at 31 August 2023, the Authority had property, plant and equipment amounted to HK\$122,024,071 (2022: HK\$73,017,362) and right-of-use assets amounted to HK\$3,028,816 (2022: HK\$11,130,381). In view of the operating loss of the Authority for the year ended 31 August 2023, the Authority performed an impairment assessment on the Authority's property, plant and equipment and right-of-use assets so as to determine whether the carrying amounts of these assets was higher than the recoverable amounts as at 31 August 2023. The impairment test was based on the recoverable amounts of the cash generating unit to which these assets were associated with, and the recoverable amounts of the relevant cash generating units were determined based on value-in-use calculation using the discounted cash flows method. No impairment loss of property, plant and equipment and right-of-use assets was recognised in the statement of profit or loss for the year ended 31 August 2023 and 2022 by the Authority.

4. INCOME

An analysis of income is as follows:

	Notes	2023 HK\$	2022 HK\$
Income from contracts with customers	(a)	414,933,828	375,765,695
Income from other sources	(b)	<u>17,253,699</u>	<u>200,953,028</u>
		<u>432,187,527</u>	<u>576,718,723</u>

NOTES TO FINANCIAL STATEMENTS

31 August 2023

4. INCOME (continued)

- (a) Income from contracts with customers
(i) Disaggregated income information

	2023 HK\$	2022 HK\$
Types of goods and services		
Hong Kong Diploma of Secondary Education Examination	188,706,693	178,276,408
International and professional and other local examinations	91,046,313	90,597,210
Territory-wide System Assessment	103,063,000	77,351,000
Sale of publications and license fee	12,801,553	13,357,910
Sundry income	<u>19,316,269</u>	<u>16,183,167</u>
	<u>414,933,828</u>	<u>375,765,695</u>
Timing of revenue recognition		
Point-in-time	311,870,828	298,414,695
Over time	<u>103,063,000</u>	<u>77,351,000</u>

The following table shows the amounts of revenue recognised in the current reporting period that was included in contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2023 HK\$	2022 HK\$
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	<u>4,946,791</u>	<u>9,305,585</u>

- (ii) Performance obligations

Information about the Authority's performance obligations is summarized in the note 2.5 to the financial statements.

For Territory-wide System Assessment, as at 31 August 2023, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Authority's existing Territory-wide System Assessment is approximately HK\$22 million (2022: HK\$122 million). This amount represents income expected to be recognised in the future for completion of its performance obligations, which is expected to occur in one year.

The Authority has elected the practical expedient to not to disclose the remaining performance obligations for this type of contracts.

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NOTES TO FINANCIAL STATEMENTS

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4. INCOME (continued)

(b) Income from other sources

	2023 HK\$	2022 HK\$
Government grants:		
Four-year non-recurrent funding	-	178,270,000
One-off special anti-epidemic grant	<u>-</u>	<u>20,000,000</u>
	-	198,270,000
Interest income	<u>17,253,699</u>	<u>2,683,028</u>
	<u>17,253,699</u>	<u>200,953,028</u>

5. (DEFICIT)/SURPLUS FOR THE YEAR

The Authority's (deficit)/surplus for the year is arrived at after charging/(crediting):

	Notes	2023 HK\$	2022 HK\$
Cost of inventories		907,433	773,734
Depreciation of items of property, plant and equipment	9(a)	24,813,186	24,070,328
Depreciation of right-of-use assets	9(b)(iii)	8,101,565	8,111,299
Lease payments not included in the measurement of lease liabilities		7,315,552	7,280,068
Auditor's remuneration		<u>414,200</u>	<u>601,533</u>
Employee benefit expenses (including remuneration of key management personnel):	7		
Wages, salaries, allowances and benefits in kind		228,381,167	226,038,955
Pension scheme contributions*		<u>7,278,796</u>	<u>8,253,072</u>
		<u>235,659,963</u>	<u>234,292,027</u>
Loss/(gain) on disposal of items of property, plant and equipment		<u>2,424</u>	<u>(710)</u>

* There are no forfeited contributions that may be used by the Authority as the employer to reduce the existing level of contributions (2022: Nil).

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NOTES TO FINANCIAL STATEMENTS

31 August 2023

6. FINANCE COSTS

	2023 HK\$	2022 HK\$
Interest on lease liabilities (note 9(b)(iii))	<u>104,668</u>	<u>170,906</u>

7. 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:

	2023 HK\$	2022 HK\$
Wages, salaries, allowances and benefits in kind	11,255,579	9,846,592
Pension scheme contributions	<u>72,000</u>	<u>61,500</u>
	<u>11,327,579</u>	<u>9,908,092</u>

The number of key management personnel whose remuneration fell within the following bands is as follows:

	Number of employees	
	2023	2022
\$1,500,001 to \$2,000,000	-	1
\$2,000,001 to \$2,500,000	1	2
\$2,500,001 to \$3,000,000	1	-
\$3,000,001 to \$3,500,000	<u>2</u>	<u>1</u>
	<u>4</u>	<u>4</u>

8. INCOME TAX

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

NOTES TO FINANCIAL STATEMENTS

31 August 2023

9. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Notes	2023 HK\$	2022 HK\$
Property, plant and equipment	(a)	122,024,071	73,017,362
Right-of-use assets	(b)	<u>3,028,816</u>	<u>11,130,381</u>
		<u>125,052,887</u>	<u>84,147,743</u>

(a) Property, plant and equipment

	Leasehold improvements HK\$	Furniture, fixtures and equipment HK\$	Computer system and equipment HK\$	Motor vehicles HK\$	Construction in progress HK\$	Total HK\$
31 August 2023						
At 1 September 2022:						
Cost	114,786,301	30,144,587	247,391,842	306,139	-	392,628,869
Accumulated Depreciation	<u>(101,580,567)</u>	<u>(20,883,724)</u>	<u>(196,912,509)</u>	<u>(234,707)</u>	-	<u>(319,611,507)</u>
Net carrying amount	<u>13,205,734</u>	<u>9,260,863</u>	<u>50,479,333</u>	<u>71,432</u>	-	<u>73,017,362</u>
At 1 September 2022, net of accumulated depreciation						
	13,205,734	9,260,863	50,479,333	71,432	-	73,017,362
Additions	4,023,085	1,240,804	16,321,430	-	52,237,000	73,822,319
Disposals	-	-	(2,424)	-	-	(2,424)
Depreciation provided during the year	<u>(2,646,901)</u>	<u>(3,641,944)</u>	<u>(18,463,113)</u>	<u>(61,228)</u>	-	<u>(24,813,186)</u>
At 31 August 2023, net of accumulated depreciation	<u>14,581,918</u>	<u>6,859,723</u>	<u>48,335,226</u>	<u>10,204</u>	<u>52,237,000</u>	<u>122,024,071</u>
At 31 August 2023:						
Cost	118,809,386	31,385,391	263,710,848	306,139	52,237,000	466,448,764
Accumulated depreciation	<u>(104,227,468)</u>	<u>(24,525,668)</u>	<u>(215,375,622)</u>	<u>(295,935)</u>	-	<u>(344,424,693)</u>
Net carrying amount	<u>14,581,918</u>	<u>6,859,723</u>	<u>48,335,226</u>	<u>10,204</u>	<u>52,237,000</u>	<u>122,024,071</u>

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NOTES TO FINANCIAL STATEMENTS

31 August 2023

9. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES
(continued)

(a) Property, plant and equipment (continued)

	Leasehold improvements HK\$	Furniture, fixtures and equipment HK\$	Computer system and equipment HK\$	Motor vehicles HK\$	Total HK\$
31 August 2022					
At 1 September 2021:					
Cost	111,644,925	30,431,791	226,204,341	306,139	368,587,196
Accumulated depreciation	(98,675,508)	(18,656,825)	(182,686,599)	(173,479)	(300,192,411)
Net carrying amount	<u>12,969,417</u>	<u>11,774,966</u>	<u>43,517,742</u>	<u>132,660</u>	<u>68,394,785</u>
At 1 September 2021, net of accumulated depreciation					
Additions	3,141,376	1,080,189	24,471,340	-	28,692,905
Depreciation provided during the year	(2,905,059)	(3,594,292)	(17,509,749)	(61,228)	(24,070,328)
At 31 August 2022, net of accumulated depreciation	<u>13,205,734</u>	<u>9,260,863</u>	<u>50,479,333</u>	<u>71,432</u>	<u>73,017,362</u>
At 31 August 2022:					
Cost	114,786,301	31,511,980	250,675,681	306,139	397,280,101
Accumulated depreciation	(101,580,567)	(22,251,117)	(200,196,348)	(234,707)	(324,262,739)
Net carrying amount	<u>13,205,734</u>	<u>9,260,863</u>	<u>50,479,333</u>	<u>71,432</u>	<u>73,017,362</u>

NOTES TO FINANCIAL STATEMENTS

31 August 2023

9. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES
(continued)

(b) Leases

(i) Right-of-use assets

The Authority has lease contracts for properties used in its operations. Leases of properties generally have lease terms between 2 and 3 years.

The carrying amounts of the Authority's right-of-use assets and the movements during the year are as follows:

	Properties	
	2023 HK\$	2022 HK\$
As at 1 September	11,130,381	13,221,132
Additions (note 15(a))	-	6,020,548
Depreciation	<u>(8,101,565)</u>	<u>(8,111,299)</u>
As at 31 August	<u>3,028,816</u>	<u>11,130,381</u>

(ii) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2023 HK\$	2022 HK\$
As at 1 September	11,423,667	13,672,560
Additions (note 15(a))	-	6,020,548
Accretion of interest	104,668	170,906
Payments	<u>(8,403,432)</u>	<u>(8,440,347)</u>
As at 31 August	<u>3,124,903</u>	<u>11,423,667</u>

The maturity analysis of lease liabilities is disclosed in note 20 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

9. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES
(continued)

(b) Leases (continued)
(ii) Lease liabilities (continued)

Maturity profile of lease liabilities

	2023 HK\$	2022 HK\$
Within one year	3,133,685	8,403,432
After one year but within two years	<u>-</u>	<u>3,133,685</u>
Lease liabilities (undiscounted)	3,133,685	11,537,117
Discount amount	<u>(8,782)</u>	<u>(113,450)</u>
Lease liabilities (discounted)	<u>3,124,903</u>	<u>11,423,667</u>
Current	<u>3,124,903</u>	<u>8,298,764</u>
Non-current	<u>-</u>	<u>3,124,903</u>

In the prior year, the incremental borrowing rate applied to the lease liabilities recognised was ranging from 1.43% to 1.61%.

(iii) Amount recognised in the statement of comprehensive income and expenditure

	Notes	2023 HK\$	2022 HK\$
Depreciation of right-of-use assets	5	8,101,565	8,111,299
Interest expense on lease liabilities	6	104,668	170,906
Expense relating to short-term leases	5	<u>7,315,552</u>	<u>7,280,068</u>
		<u>15,521,785</u>	<u>15,562,273</u>

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NOTES TO FINANCIAL STATEMENTS

31 August 2023

10. INVENTORIES

	2023 HK\$	2022 HK\$
Stationery and printing materials	65,641	60,000
Publications	<u>981,141</u>	<u>1,136,204</u>
	<u>1,046,782</u>	<u>1,196,204</u>

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 HK\$	2022 HK\$
Prepayment	13,847,422	13,757,489
Deposits and other receivables	17,619,795	14,243,765
Amount due from the Education Bureau	<u>33,629,815</u>	<u>7,963,123</u>
	<u>65,097,032</u>	<u>35,964,377</u>

The carrying amount of financial assets included in the above balances approximated to their fair value as at 31 August 2023 and 2022. Their recoverability was assessed with reference to the credit status of the debtors, and the expected credit losses as at 31 August 2023 and 2022 were considered to be minimal.

12. CASH AND BANK DEPOSITS

	2023 HK\$	2022 HK\$
Cash and bank balances	66,270,802	113,867,717
Non-pledged time deposits with original maturity of more than three months when acquired	<u>397,630,000</u>	<u>314,390,000</u>
	<u>463,900,802</u>	<u>428,257,717</u>

At 31 August 2023, cash and bank deposits amounting to HK\$3,390,346 (2022: HK\$4,343,917) 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.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

12. CASH AND BANK DEPOSITS (continued)

Cash at bank earns interest at floating rates based on daily bank deposits rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the non-pledged deposits approximate to their fair values.

13. ACCOUNT PAYABLES, ACCRUALS AND DEFERRED INCOME

	2023 HK\$	2022 HK\$
Accounts payables and accruals	121,543,602	129,680,188
Deferred income	<u>150,000,000</u>	<u>-</u>
	271,543,602	129,680,188
Portion classified as non-current liabilities	<u>(11,233,411)</u>	<u>(15,716,154)</u>
Current portion	<u><u>260,310,191</u></u>	<u><u>113,964,034</u></u>

Accounts payables are non-interest bearing and have an average payment term of one month. Deferred income represents a specified grant received from government for the acquisition of certain assets and named initiatives as specified in the grant.

14. CONTRACT LIABILITIES

Details of contract liabilities as at 31 August 2023 and 2022 are as follows:

	2023 HK\$	2022 HK\$
Contract liabilities	<u><u>64,938</u></u>	<u><u>4,946,791</u></u>

Contract liabilities represents examination fees received in advance of examinations and service charges received for Territory-wide System Assessment to be conducted after balance sheet date. As at 31 August 2023, all contract liabilities are expected to be recognised as revenue within one year.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

15. NOTE TO THE STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

In the prior year, the Authority had non-cash additions to right-of-use assets and lease liabilities of HK\$6,020,548 and HK\$6,020,548, respectively, in respect of lease arrangements for leased assets.

The Authority acquired items of property, plant and equipment of HK\$3,099,354 (2022: HK\$12,988,672) which was settled with other payable and accruals and the amount of HK\$12,988,672 (2022: HK\$9,670,458) to acquire property, plant and equipment settled with other payable and accruals in the prior year was fully settled in the current year.

Certain interest income of HK\$7,712,512 (2022: HK\$1,280,267) was settled with other receivable and the interest income settled with other receivable of HK\$1,280,267 (2022: HK\$90,619) in the prior year was fully received in the current year.

(b) Reconciliation of liabilities arising from financing activities

	Lease liabilities HK\$
At 1 September 2021	13,672,560
Changes from financing cash flows:	
Principal portion of lease payments	(8,269,441)
New lease liabilities arising from additional leases during the year	6,020,548
Finance charges on lease liabilities	170,906
Interest paid classified as operating cashflow	<u>(170,906)</u>
At 31 August 2022 and 1 September 2022	11,423,667
Changes from financing cash flows:	
Principal portion of lease payments	(8,298,764)
New lease liabilities arising from additional leases during the year	-
Finance charges on lease liabilities	104,668
Interest paid classified as operating cashflow	<u>(104,668)</u>
At 31 August 2023	<u><u>3,124,903</u></u>

NOTES TO FINANCIAL STATEMENTS

31 August 2023

16. RELATED PARTY TRANSACTIONS

Except the transactions detailed elsewhere in these financial statements, the Authority did not have other material transactions with related parties during the year.

The compensation of the key management personnel of the Authority is included in note 7 to the financial statements.

17. CAPITAL COMMITMENT

The Authority had the following capital commitment at the end of the reporting period:

	2023 HK\$	2022 HK\$
Contracted, but not provided for:		
Leasehold improvement and computer system and equipment	<u>25,068,960</u>	<u>13,969,724</u>

18. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Financial assets at amortised costs	
	2023 HK\$	2022 HK\$
Financial assets included in prepayments, deposits and other receivables (note 11)	51,249,610	22,206,888
Cash and bank deposits (note 12)	<u>463,900,802</u>	<u>428,257,717</u>
	<u>515,150,412</u>	<u>450,464,605</u>

NOTES TO FINANCIAL STATEMENTS

31 August 2023

18. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

	Financial liabilities at amortised costs	
	2023 HK\$	2022 HK\$
Financial liabilities included in accounts payables and accruals (note 13)	121,543,602	129,680,188
Lease liabilities (note 9(b)(ii))	<u>3,124,903</u>	<u>11,423,667</u>
	<u>124,668,505</u>	<u>141,103,855</u>

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management has assessed that the fair values of cash and bank balances, financial assets included in prepayments, deposits and other receivables, financial liabilities included in accounts payables and accruals and lease liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Authority did not have any financial assets and financial liabilities measured at fair value as at 31 August 2023 and 31 August 2022.

NOTES TO FINANCIAL STATEMENTS

31 August 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The primary objective of the Authority's capital management is to safeguard the Authority's ability to continue as a going concern.

The main risks arising from the Authority's financial instruments are credit risk and liquidity risk. The Authority reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

Credit risk is the risk that a customer or counterparty in a transaction may default. With respect to credit risk arising from financial assets included in prepayments, deposits and other receivables and cash and bank balances, the Authority's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these assets. The Authority trades only with recognised creditworthy third parties and related parties.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Authority's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 August 2023 and 2022. The amounts presented are gross carrying amounts for financial assets.

31 August 2023

	12-month ECLs
	Stage 1 HK\$
Financial assets included in prepayments, deposits and other receivables	
- Normal*	51,249,610
Cash and bank balances	
- Not yet past due	463,900,802
	<u>515,150,412</u>

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NOTES TO FINANCIAL STATEMENTS

31 August 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)
Maximum exposure and year-end staging (continued)

31 August 2022

	12-month ECLs
	Stage 1 HK\$
Financial assets included in prepayments, deposits and other receivables	
- Normal*	22,206,888
Cash and bank balances	
- Not yet past due	<u>428,257,717</u>
	<u>450,464,605</u>

* The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Liquidity risk

The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of income, if necessary. The funding for the Authority's operations was mostly come from its income received and government grants.

The table below summarises the maturity profile of the Authority's financial liabilities at the end of the reporting period based on contractual undiscounted payments, was as follows.

31 August 2023

	Less than 12 months or On demand HK\$	1 to 2 years HK\$	More than 2 years HK\$	Total HK\$
Financial liabilities included in accounts payables and accruals	110,310,181	7,207,985	4,025,436	121,543,602
Lease liabilities	<u>3,133,685</u>	<u>-</u>	<u>-</u>	<u>3,133,685</u>
	<u>113,443,866</u>	<u>7,207,985</u>	<u>4,025,436</u>	<u>124,677,287</u>

NOTES TO FINANCIAL STATEMENTS

31 August 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

31 August 2022

	Less than 12 months or On demand HK\$	1 to 2 years HK\$	More than 2 years HK\$	Total HK\$
Financial liabilities included in accounts payables and accruals	113,964,034	12,429,538	3,286,616	129,680,188
Lease liabilities	<u>8,403,432</u>	<u>3,133,685</u>	<u>-</u>	<u>11,537,117</u>
	<u>122,367,466</u>	<u>15,563,223</u>	<u>3,286,616</u>	<u>141,217,305</u>

Capital management

The primary objective of the Authority's capital management is to maintain sufficient fund for the Authority's operations.

The Authority manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 August 2023 and 2022.

21. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Council on

THE FOLLOWING STATEMENT DOES NOT FORM PART OF THE
AUDITED FINANCIAL STATEMENTS

(For management information purposes only)

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
香港考試及評核局

DETAILED SUPPORT SCHEDULES TO THE STATEMENT OF FINANCIAL POSITION

31 August 2023

1. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 HK\$	2022 HK\$
Interest on fixed deposits and saving account to be received	7,712,512	1,280,267
Service charges and expenses receivable from other examination bodies for the conduct of examinations in Hong Kong	8,589,868	10,855,182
Prepayments and other receivables	13,967,637	14,654,363
Sundry deposits	1,197,200	1,211,442
Service charges and receivables from the Education Bureau	<u>33,629,815</u>	<u>7,963,123</u>
	<u>65,097,032</u>	<u>35,964,377</u>

2. ACCOUNTS PAYABLE, ACCRUALS AND DEFERRED INCOME

	2023 HK\$	2022 HK\$
Accrued unutilised annual leave	14,143,988	14,715,986
Accrued gratuity payments	30,863,676	27,285,646
Accrued examination personnel expenses	14,815,698	9,579,763
Amount due to examination bodies	40,510,616	49,337,751
Payables to fixed assets suppliers	3,099,354	12,988,672
Other accounts payable and accruals	18,110,270	15,772,370
Deferred Income	<u>150,000,000</u>	<u>-</u>
	<u>271,543,602</u>	<u>129,680,188</u>

(For management information purposes only)

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
香港考試及評核局

DETAILED SUPPORT SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME AND
EXPENDITURE

Year ended 31 August 2023

1. INCOME

(a) Hong Kong Diploma of Secondary Education Examination

	2023 HK\$	2022 HK\$
Examination fees	157,182,014	152,269,050
Supplementary fees	979,111	696,879
Rechecking and remarking fees	<u>30,545,568</u>	<u>25,310,479</u>
	<u>188,706,693</u>	<u>178,276,408</u>

(b) International and professional and other local examinations

	2023 HK\$	2022 HK\$
International and professional and other local examinations	77,880,657	77,938,533
Language proficiency assessment for teachers	<u>13,165,656</u>	<u>12,658,677</u>
	<u>91,046,313</u>	<u>90,597,210</u>

2. EXPENDITURE

(a) Staff costs

	2023 HK\$	2022 HK\$
Contract gratuities	17,891,633	17,027,012
Medical and dental	8,642,438	8,299,535
Overtime	855,776	867,297
Contribution to the retirement benefit scheme and the MPF scheme	7,278,796	8,253,072
Salaries and other allowances	186,158,525	187,984,639
Temporary staff	<u>14,832,795</u>	<u>11,860,472</u>
	<u>235,659,963</u>	<u>234,292,027</u>

(For management information purposes only)

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY
香港考試及評核局

DETAILED SUPPORT SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME AND
EXPENDITURE (continued)

Year ended 31 August 2023

2. EXPENDITURE (continued)

(b) Examination personnel expenses

	2023 HK\$	2022 HK\$
Multiple choice item writers	139,487	140,558
Moderators, setters and examiners	11,067,604	10,958,596
Markers and oral examiners	51,662,069	38,126,026
Centre supervisors and invigilators	9,218,411	5,913,623
Other examination personnel	3,603,088	2,744,552
	<u>75,690,659</u>	<u>57,883,355</u>

(c) Administrative and other operating expenses

	2023 HK\$	2022 HK\$
Air-conditioning, electricity and water	8,374,708	7,061,285
Audit fee	414,200	601,533
Barcode label and other scan cost	1,689,228	1,234,013
Building maintenance and cleaning	9,899,841	7,961,650
Computer service and maintenance	25,011,670	24,259,369
Examination materials	2,159,814	1,606,895
Examination materials - COVID-19 precautionary	-	14,565,000
Furniture and equipment	1,183,533	2,171,306
Hired transport	5,162,394	4,266,330
Insurance	1,150,892	1,176,273
Legal consultancy and outsourcing professional fees	10,487,580	9,558,649
Listening test recurrent expenses	560,069	298,907
Miscellaneous	5,040,350	4,238,968
Postage and air freight	809,849	801,946
Printing, publication and stationery	18,731,024	15,021,748
Rent, management fees and rates	5,066,901	5,774,644
Rental of examination halls and equipment	7,256,742	7,221,257
Research project	623,710	569,354
Securing services	4,203,279	4,625,488
Staff training and travelling	1,452,184	1,088,252
Staff welfare	216,794	96,341
Telephone, fax and internet charges	1,474,059	1,443,319
	<u>110,968,821</u>	<u>115,642,527</u>

Hong Kong Examinations and Assessment Authority

Report on Activities for September 2022 – August 2023

Introduction

While full of challenges, the Hong Kong Examinations and Assessment Authority (HKEAA) did achieve a steady development in the financial year 2022/2023. The activities in this reporting year were increasingly diversified, and some played significant roles for the long-term strategic development of the Authority. This report presents the HKEAA's activities in two major areas in the financial year ending 31 August 2023, including (i) Corporate Governance and Development, and (ii) Examinations and Assessments, in particular the management, 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

1. The Deputy Chairman and three new members were appointed, and one incumbent member was 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 former member.

Engagement and Communication with Stakeholders

2. Year 2022/2023 marked the 45th Anniversary of the Authority. To commemorate this significant milestone, the HKEAA organised the 45th Anniversary Kick-off Ceremony with the theme of ‘Professional • Equitable • Reliable’ at Tsuen Wan Assessment Centre on 28 September 2022. The event was graced by the presence of Mr Chan Kwok-ki, Chief Secretary for Administration, Dr Choi Yuk-lin, Secretary for Education, Professor Xu Kai, the then Deputy Director-General of the Department of Educational, Scientific and Technological Affairs, the Liaison Office of the Central People’s Government in the HKSAR, the HKEAA Chairman and Vice-chairman who officiated the event. The ceremony garnered participation from guests representing different sectors, including Legislative Council members, school leaders, representatives of education organisations, and HKEAA Council and committee members. A guided tour of the assessment centre was arranged for the guests during the event to allow them to gain a better understanding of the development of various assessment technologies and how the technologies have been used in support of learning and teaching. In addition, a press briefing on the HKDSE Diagnostic Feedback System (DFS) was arranged before the ceremony to highlight how the Authority supports schools and students in enhancing their learning and teaching. The event received extensive media coverage.
3. A virtual special exhibition highlighting the milestones of the Authority and its contribution to the society over the years was launched in October 2022. Mementos such as historical documents, publications, admission forms, question papers, videos as well as the stationery used in public examinations, were displayed online.
4. To enhance public understanding of the HKDSE, information seminars were held online for students, parents and teachers on 29 October 2022 and 7 January 2023 respectively. During these seminars, representatives of the Authority shared the latest developments of the HKDSE, including the marking and grading, international recognition, streamlining arrangements for the 2023 HKDSE, the latest assessment arrangements for the 2024 and 2025 HKDSE as well as assessment requirements of core subjects. In addition to the information seminars arranged by the Authority, our representatives also attended sharing sessions and seminars organised by various organisations to promote the HKDSE.
5. An Assessment Centre Open Day was held on 14 January 2023 to allow the public better understand how the Authority delivers professional, equitable and reliable public examinations. Marking and grading seminars, hands-on trials on the Onscreen Marking System and script scanning demonstrations were arranged for the visitors. In celebration

of the 45th anniversary of the Authority, docent tours of the Mementos Exhibition featuring selected public examination-related items, such as historical documents, publications, admission forms, question papers, and archive photos, were arranged for the visitors to learn more about the development of the Authority and public examinations in Hong Kong. Positive media coverage of the Open Day was generated.

6. Around 20 representatives from school councils, professional bodies of the education sector, parent-teacher associations and special educational needs students' concern groups attended the annual HKEAA Stakeholders' Forum on 24 June 2023. Hosted by the Chairman, Secretary General and the Directors of the Authority, the Forum was organised to foster communication and engagement among stakeholders, informing them about the latest development of the Authority. As part of the celebration of the 45th anniversary of the Authority, a memento exhibition was arranged for the participants during the Forum, showcasing selected public examination-related mementos.
7. The DSE Express Blog platform has been another major communication channel for our stakeholders. During the year, around 30 pieces of blog articles, which provided candidates with useful information, important reminders, and latest updates on the HKDSE, were published on the DSE Express. The DSE Express has recorded around 105,000 unique visitors over the year. Positive coverage was generated in print, electronic and online media.
8. To provide the latest information of the HKDSE to candidates, an upgraded HKDSE App has also been released for candidates to check their personalised examination details, including approved special examination arrangements (if applicable) and the latest news on the HKDSE. A press release, blog articles and electronic direct mails (EDM) were released to inform candidates and the public about the arrangements. By the end of August 2023, nearly 90% of 2023 HKDSE candidates have logged in to the HKDSE App to check their personalised examination details.
9. The 2021/2022 HKEAA Annual Report with the theme of 'Pathways to a Rewarding Future' was released online in late April 2023. The report highlighted the achievements and major developments of the Authority from September 2021 to August 2022, underlying our continued commitment to the community during the pandemic.
10. During the year, four issues of the HKEAA e-News were published on the corporate website and sent to over 6,000 subscribers. The e-News provided updates on the latest development of the Authority, as well as the HKDSE and other assessment services.

Media Relations

11. To provide the media and the public with the latest information about the Authority and the HKDSE, we arranged three press conferences, five media interviews, a photo-call session, issued a number of press releases and media messages, and broadcasted short examination reminders for candidates via RTHK. The updates covered revised 2023 HKDSE examination timetable, interim resumption arrangement for public examinations and School-based Assessment (SBA) of 2024 HKDSE elective subjects, examination arrangements and precautionary measures for the 2023 HKDSE, daily statistics concerning candidates sitting the HKDSE at the Designated Exam Centre for candidates infected with COVID-19, the release of results of the 2023 HKDSE, examination fees for

the 2024 HKDSE. The events and latest information were extensively covered by the media.

12. During the reporting period, 140 media enquiries were addressed. About 95% of the enquiries were about the HKDSE, concerning examination arrangements and precautionary measures, the examination questions and examination irregularities.

International Recognition of HKDSE

13. As of late August 2023, over 130 Mainland higher education institutions and around 130 Taiwan higher education institutions have admitted Hong Kong students on the basis of their HKDSE results. Furthermore, more than 600 non-local higher education institutions have accepted the HKDSE qualifications for admission to their undergraduate programmes. They represent institutions not only from the popular English-speaking regions such as the United Kingdom, Australia, Canada, and the United States, but also over 300 German public universities.
14. Following our communications with non-local higher education institutions in 2022 regarding the optimising measures for the 2024 HKDSE core subjects, we updated the institutions in June 2023 again about the new arrangements for Category C (Other Languages) subjects that will be implemented for the 2025 HKDSE and beyond. The institutions were invited to review their current admission requirements for HKDSE result holders regarding the changes whenever necessary.
15. Throughout the year, the Authority participated in various activities, including meetings and webinars, to promote the HKDSE to educational organisations of other regions. These organisations included China Education Exchange (Hong Kong) Centre, the Association for Study in Japan Supports (Hong Kong), and the University Entrance Committee for Overseas Chinese Students of Taiwan.

Recognition and Award

16. Two staff members received the Ombudsman's Awards 2022 for Officers of Public Organisations in recognition of their achievements in providing quality customer service. Since 2012, a total of 19 staff members have received the award.
17. In March 2023, the Authority was awarded the 'Caring Company' logo by the Hong Kong Council of Social Service in recognition of our good corporate citizenship and commitment in caring for the community, employees and environment.
18. The HKEAA corporate website has been a vital platform for providing updated information about the Authority and its examination and assessment services to the public. In April 2023, the HKEAA corporate website received the 'Triple Gold Award' in the 2022-2023 Web Accessibility Recognition Scheme. This is the fourth time that the Authority has received this award, in recognition of our unwavering commitment to adopting web accessibility design and making online information accessible to all. Throughout the reporting period, the corporate website recorded an average of over 1.1 million visitors per month.

HKEAA Code on Access to Information (the Code)

19. In 2022/2023, a total of 18 requests for access to information made under the Code were processed. Among them, 15 requests were fully complied with, while one was partially complied with. One request asking for HKDSE results statistics for individual schools was declined for reasons set out in Part 2 of the Code, while one request was still under processing as of the end of August 2023.

(B) Local, Mainland and Overseas Partnership

20. During the reporting year, Director - Examinations, Assessment & Research (D-EAR) was elected to be Co-chair of the Automated Language Assessment Special Interest Group of the International Language Testing Association (ILTA), spearheading initiatives related to the applications of Artificial Intelligence (AI) in language assessment. She continued her role as the ILTA By-Laws Committee member, responsible for reviewing and updating the roles, procedures and policies of ILTA.
21. D-EAR delivered a keynote speech at the inaugural conference of the Education Assessment Alliance of Guangdong, Hong Kong and Macao in May 2023 and discussed with the founding members how the Authority can contribute to key initiatives of the Alliance. These initiatives included exchanges of information on research and development, active participation in the Alliance conferences, and promoting the Authority's research fellowship programme for graduate students in educational measurement programmes in the Mainland.

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

Renovation Project: ex-Hung Hom Government Primary School Premises

22. Upon the engagement of the approved renovation contractor in early October 2022, site works at ex-Hung Hom Government Primary School Premises commenced accordingly. The scope of works covered external façade improvements, internal layout renovations and installation of building services. Upon completion of renovation works (Phase 1) by the end of 2023, four divisions including the Secretary General Office will move to the Hung Hom premises. The premises will be named the Hung Hom Office and Examination Centre.

2023 Pay and Benefit Level Review

23. The Authority has appointed an external consultant to conduct the triennial Pay and Benefit Level Review, which commenced in 2023. The Human Resources Committee (HRC) approved the overall work plan, proposal on the market benchmarking strategy, peer group composition for market analysis, as well as the scope and direction of the review. The collection of market data from the benchmarking peer groups was completed through questionnaires, and the results will be reviewed by the HRC and the Council in 2023/2024.

2023 Annual Pay Review

24. After two years of pay freeze, the proposal for the 2023 Annual Pay Review, including

adjustments to the base pay of employees, the grant of variable pay, and provision for strategic salary adjustments was approved by the HRC and the Council in November and December 2022 respectively. The effective date of base pay adjustments was 1 January 2023.

Staff Engagement

25. During the year, All Staff Meetings were arranged in September 2022 and January 2023 respectively, to facilitate communication between staff and the management. During the meetings, the management provided updates on the development and planning of the HKEAA to staff members, and question-and-answer sessions were arranged. To recognise the outstanding performance of staff members, we conferred the Distinguished Staff Award on a staff member during the meeting held in January 2023, and granted the Outstanding Team Awards to three teams consisting of 22 staff members from various divisions, as well as the Long Service Awards and the Retirement Honour to 36 staff members.
26. To promote corporate social responsibility, the Staff Relations and Communication Committee (SRCC) arranged for staff participation in the Community Dress Casual Day on 28 October 2022. In addition, we continued to participate in the 'Post-50 Internship Programme' organised by the Employees Retraining Board in 2022/2023, and provided job opportunities to a number of mature individuals aged 50 or above who wish to rejoin the workforce. Committed to environmental protection, the Authority also collected around 306,418 kg of printed materials and used paper for recycling in 2022/2023.
27. To foster a positive working environment and enhance staff morale, we launched the one-year staff engagement programme named 'Happy Workplace' in February 2023. Furthermore, we continued to organise training programmes for staff members to develop their potential. Throughout the year, we conducted around 40 training sessions for staff members.

Cost Containment

28. The Authority has been rigorously pursuing cost containment initiatives to enhance financial sustainability and public accountability. The streamlining and optimisation of HKDSE examination subjects not only create space for students and cater to learner diversity, but also resulted in further savings in examination personnel cost during the reporting year.

Financial Sustainability of the Authority

29. In view of the structural deficit of the HKDSE, we sought approval from the Finance Committee of the Legislative Council for a non-recurrent funding commitment of HK\$360.8 million for four cohorts. The funding has come to an end in August 2022. The Authority will continue to devise different measures to achieve financial sustainability. These measures included exploring income generation opportunities, adopting new technology for HKDSE and international and professional examinations to reduce operation costs, seeking support from the Government on subsidising services for candidates with special educational needs (SEN), seeking funding for developmental needs, and adjusting the examination fees if necessary. Moreover, the EDB disbursed a

one-off non-recurrent grant of HK\$150 million to the Authority in March 2023 for strategic and long-term development of the Authority, supporting a number of initiatives and development projects aimed at enhancing the Authority's infrastructure for business development in the long run.

HKDSE System Enhancement

30. In the reporting year, a wider range of cloud services was deployed in the HKDSE Examination Systems to facilitate a versatile and secure means for collecting, dispatching, and storing examination-related information. Starting from July 2023, candidates can download their electronic Data Access Request (DAR) reports instead of receiving printed copies. In addition, the cloud-based system has been expanded to include collecting SBA coursework, distributing listening test audio files to the examination centres, etc.
31. The system upgrade and testing for the results data extraction programme for the Citizenship and Social Development, in lieu of Liberal Studies as a HKDSE core subject from the 2024 HKDSE, were completed. Data integration testing with the JUPAS Office was conducted, and the system is now in place to support the interchange of results for tertiary institutions in the 2024 HKDSE.

Examination Material Tracking by Global Positioning System (GPS)

32. During the reporting year, the Authority has introduced an Examination Material Tracking (GPS) System, which comprises GPS tracking device, smart lock and containers, monitoring dashboard and mobile application for process control, with a view to further enhancing the security level of delivery of question papers and answer scripts.

IT Essentials for non-IT Professional Training

33. The Authority is committed to applying new technologies in its operations and systems. To enhance staff's knowledge and understanding of technology and its applications, the 'IT Essentials for non-IT - Learning ABCD (Artificial Intelligence, Blockchain, Cloud and Big Data)' training workshops for staff members were conducted during this reporting year.

(D) Quality Assurance

ISO 9001 Quality Management System (QMS) Audit

34. The Authority is committed to providing fair, valid and reliable examinations and assessment services in a professional, efficient and effective manner. Since the implementation of the ISO 9001 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 ISO 9001:2015, an annual recertification audit by the certification body was conducted in March 2023 with no non-conformity noted.

Risk Management and Internal Audit

35. Operating an adequate and effective risk management and internal control system is essential for the operation of the Authority and its service quality. All the recommendations from an independent review report on the risk management framework concluded in October 2021 have been fully implemented by the Authority.
36. In addition to bi-monthly review of the operational risks by the Authority's leadership, a review on the strategic risks of the Authority was conducted in May 2023 according to the updated 5-year Strategic Plan for 2023/2024 – 2027/2028 and the 3-year Business Plan for 2023/2024 – 2025/2026. Both updated lists of strategic risks and operational risks of the Authority were reported to the Audit Committee.
37. The Internal Audit Unit (IAU) of the HKEAA has continued overseeing the risk assessment and reviewing the internal control of the Authority independently. A risk-and-effectiveness-based audit approach has been adopted. Internal audits, including reviews of internal control on facilities and security management, payment process, TSA question paper development, and the HKDSE post-examination process had been conducted. No significant control deficiencies were noted, and recommendations for process improvement had been/would be adopted. Besides, to enhance governance and promote awareness of internal control, IAU has introduced the self-audit at division/unit level on some routine processes, such as the physical count of HKDSE question papers, publications and consumables, and certificates/result notices and statement of results issued by the Authority.

Part II Examinations and Assessments

(A) HKDSE and LPAT

Preparation for the 2023 HKDSE

38. The June and September registrations for the 2023 HKDSE were successfully completed in July and October 2022 respectively. The June registration covered Category C (Other Languages) subject examinations while the September registration covered Category A and Category B subject examinations. Compared with the previous year, the candidature for 2023 HKDSE slightly increased by 1.35% (from 49,840 to 50,511). The majority of the candidates were Secondary 6 students from 474 schools, who had completed the three-year senior secondary curriculum. The number of day school candidates was comparable to that of 2022 HKDSE, while the number of private candidates increased from 6,960 to 7,637 (increased by 9.73%).
39. In view of the impact of COVID-19 on learning and teaching for the cohort of students sitting the 2023 HKDSE, the School-based Assessment (SBA) and the public examination for the 2023 HKDSE were streamlined and announced on 10 December 2021. The revised Assessment Frameworks for the 2023 HKDSE were released on the HKEAA corporate website on the same day. The overall streamlining arrangements, which aim to free up more learning time and provide more flexibility of learning and teaching for teachers and students, are the same as those of the 2022 HKDSE, including cancellation of the SBA for ten subjects and streamlining of that for four subjects, streamlining of the requirements for written and practical examinations, and cancellation

of the speaking examination for Chinese Language, etc. In addition, the Assessment Schemes for some Category B Applied Learning (ApL) subjects might also be slightly modified where necessary.

40. After consultation with the EDB and the Centre for Health Protection of the Department of Health, a series of contingency and precautionary measures were formulated for implementation at the examination centres in the 2023 HKDSE, with the cooperation and support of schools, teachers, and examination personnel. All candidates and invigilation staff who felt unwell (e.g. acute respiratory tract infection) or had a fever were required to perform the COVID-19 rapid antigen test (RAT) before going to the examination centres and should show their negative results before entering the examination centres. Candidates who were infected with COVID-19 would not be allowed to enter the normal/special examination centres, but might apply for assessment of results or sit the HKDSE at the Designated Exam Centre [i.e. ex-premises of Cognitio College (Kowloon)]. With the concerted efforts of the EDB, the relevant government department, the Authority staff and invigilation personnel, a total of 501 candidates (comprising 455 normal and 46 SEN candidates) were arranged to sit the examinations of 23 subjects on 23 examination days at the Designated Exam Centre.
41. The Authority continued to provide necessary protective/sanitised materials (e.g. face masks, face shields, alcohol-based handrub, alcohol swab and latex gloves) and a small amount of RAT kits to centre schools. To mitigate the risk of infections where candidates were required to take off the mask temporarily for identity verification during attendance taking, the procedure for checking candidates' identity took place before admission to the examination centres. Centre schools were also requested to make optimal use of school premises to space out candidates in the examination centre and adopt the seating distance of not less than 1.5 metres between candidates. The 'Home cum District Centre Arrangement' for the core subjects in normal centres continued to be implemented in the 2023 HKDSE.

Special Examination Arrangements (SEAs) for SEN Candidates

42. In 2022/2023, 4,050 applications for SEAs for the 2023 and 2024 HKDSE were received. In the 2023 HKDSE, SEAs were provided for 3,898 SEN candidates, representing an increase of around 13% over the 2022 HKDSE. In written examinations, the 'Enhanced Home Centre Approach' continued to be implemented whereby more schools set up home centres for their own SEN candidates requiring non-standard SEAs (e.g. extra time allowance other than 25%, use of ancillary aids/equipment, familiar examination environment due to emotional/adjustment/medical problems) and to accommodate their remaining own SEN candidates as far as possible. As such, the number of home centres increased from 247 in the 2022 HKDSE to 267 in the 2023 HKDSE. In addition, the number of Home cum District Centres accommodating their own and other candidates with similar SEAs in the same district increased from 150 in the 2022 HKDSE to 165 in the 2023 HKDSE while one special centre was set up to serve the remaining SEN candidates. Besides, a total of 303 candidates used the speech-to-text software in Liberal Studies and/or seven designated elective subjects.
43. In the 2023 HKDSE, about 6,500 different sorts of special question papers were produced for SEN candidates, marking a significant increase of 22% compared to the 2022 examination. This figure is comparable to the highest record in the 2019 HKDSE, which

had about 6,600 special question papers. The notable rise in special question papers can be attributed to various factors, including an increase in SEN candidates, the resumption of English Language speaking examinations, and an increase in candidates requiring screen reader question papers. Screen reader question papers, which require significant effort to produce, account for more than half of the cases, representing an increase of about 1,000 cases as compared to the 2022 examination. Besides production of special question papers, duplication and checking of USBs for the listening papers of the two language subjects also involved intensive labour. Measures were taken to handle the production of special question papers and the increased number of USB.

Delivery of the 2023 HKDSE

44. The 2023 HKDSE, held from 21 April to 18 May 2023, was conducted according to the schedule for 48,762 candidates with the full support and cooperation of schools, teachers and examination personnel. 553 halls and 582 classrooms were provided by 437 centre schools during the written examinations. There were about 11,700 hall invigilator-sessions in total for the 2023 HKDSE. In addition, 48 pilot schools were invited to pilot run the Second Generation of Public Examinations Support System (PESS2) in the examinations of Mathematics Compulsory Part and Chinese Language. The Examination Surveillance System (ESS) was also implemented in all normal centres (including special rooms for listening examinations) and 100 special centres. Besides, the English Language speaking examinations resumed in the 2023 HKDSE. The speaking examinations for normal and SEN candidates were held from 21 to 30 March 2023 and 3 to 4 April 2023, respectively. Additional precautionary measures were implemented in the practical examinations of Physical Education to safeguard the health and well-being of candidates and examination personnel.
45. Despite the impact of COVID-19 on the HKDSE post-examination operations, the processes of marking, mark processing and grading were completed as scheduled. To ensure the health and well-being of markers, a series of precautionary measures were implemented at the assessment centres for Onscreen Marking (OSM). To reduce health risks and the need to travel to the assessment centres, internet OSM system (iOSM) was continued to be provided for around 600 markers, allowing them to mark the 2023 HKDSE scripts at school or at home. The provision of the iOSM continued to be well received by markers.
46. In the 2023 HKDSE, about 4,300 markers and about 450 marking assistants were appointed to mark approximately 663,000 answer scripts. Expert panel meetings for the grading of core subjects and elective subjects were carried out on 23 June and 30 June and 3 July 2023 respectively. The HKDSE results were released as planned on 19 July 2023.
47. In the 2023 HKDSE, a total of 16,618 rechecking and/or remarking applications were received, involving 37,854 subjects. This represented an increase of 803 applications (a 5.1% rise) compared to the 2022 HKDSE. In addition, there were three appeal review applications related to the processing of examination irregularities and 73 cases concerning the marking of scripts after access to scripts following data access requests (DARs). A total of 12,710 applications were also received from HKDSE candidates through DARs in accordance with the Personal Data (Privacy) Ordinance, to access their examination-related personal data, including marked examination scripts for 28,736

subjects, before the scripts were destroyed.

2024 HKDSE

48. Despite the gradual return to normality in society, the progress of learning for the students sitting the 2024 HKDSE has been somewhat affected by the impact of the COVID-19 pandemic. With a view to releasing the pressure placed by the pandemic on students and paving the way to the full resumption of the assessment requirements of the HKDSE for subsequent cohorts, the Public Examinations Board (PEB) of the Authority, at its meeting in late March 2023, deliberated and approved the interim resumption arrangement for the Category A elective subjects and Category B ApL subjects for the 2024 HKDSE.
49. To summarise, all 19 Category A elective subjects have adopted measures to release pressure placed by the pandemic on the 2024 cohort. Four of them, namely Ethics and Religious Studies, History, Tourism and Hospitality Studies, and Business, Accounting and Financial Studies adopt the same measures as those in the 2023 HKDSE due to practicability consideration, while the remaining 15 subjects resume some assessment items as interim measures to pave the way to full resumption. A press release and a school circular were issued on 28 March 2023 to announce the interim resumption arrangement for the 2024 HKDSE. Revised Assessment Frameworks and SBA Teachers' Handbooks of the respective subjects were released on the HKEAA corporate website on the same day to provide stakeholders with details of the arrangement.
50. Since the announcement of the optimisation of the HKDSE core subjects (i.e. Chinese Language, English Language, Mathematics and Citizenship and Social Development in lieu of Liberal Studies) by the Government for implementation with effect from the 2024 HKDSE, the Authority has provided sample papers/questions and updated SBA Teachers' Handbooks. The draft level descriptors and samples of student performance for Chinese Language and Citizenship and Social Development were also made available on the HKEAA corporate website. During the reporting period, professional development programmes for teachers of Citizenship and Social Development were continued to be carried out and the expected standard for the level 'Attained' has also been formulated.
51. In June 2023, the HKEAA announced a fee adjustment for the 2024 HKDSE. The Government will pay the examination fees for school candidates sitting for the 2024 HKDSE. This arrangement is not applicable to private candidates.

For the 2025 HKDSE and Beyond

52. Discussions on the optimisation of curriculum and assessment for elective subjects are underway. Optimisation recommendations for some subjects have already been approved by the PEB, and the optimised assessment frameworks will be implemented as scheduled below:
 - Business, Accounting and Financial Studies (with effect from the 2025 HKDSE)
 - Information and Communication Technology (with effect from the 2025 HKDSE)
 - Literature in English (with effect from the 2026 HKDSE)
 - Physical Education (with effect from the 2026 HKDSE)
53. Starting from the 2025 HKDSE, new arrangements will be implemented for Category C (Other Languages) subjects, under which candidates will have to take the stipulated

language examinations administered by the official organisations in Hong Kong. Five Category C (Other Languages) subjects will be offered in the 2025 HKDSE, namely French, German, Japanese, Korean and Spanish. Candidates' results that meet the stipulated proficiency level will be included in the HKDSE results.

54. In 2022/2023, after several months of discussions with relevant parties from Pakistan, an agreement with the Federal Board of Intermediate & Secondary Education (FBISE) Islamabad was signed for the inclusion of Urdu as one of the Category C (Other Languages) subjects from the 2026 HKDSE onwards. Urdu (International), a new examination provided by FBISE, is under the national curriculum of Pakistan. Holders of this qualification will duly satisfy the Urdu language prerequisite for admission into higher education institutions in Pakistan, provided they also fulfil other requirements stipulated by the respective tertiary institutes. The number of Category C subjects offered will increase from five to six in the 2026 HKDSE and beyond.

Provision of Support to Teachers and Students

55. To enhance transparency and teachers' understanding of the HKDSE, briefing sessions on the review of the 2022 HKDSE were carried out for Category A subjects and Category B ApL subjects from late September to late November 2022. In addition to face-to-face seminars, other alternative modes of delivering these sessions were adopted, including webinars and PowerPoint presentations (mostly supplemented with voice over) on the HKEAA corporate website. The seminars and PowerPoint presentations provided subject teachers with information on examination requirements, marking criteria, and candidates' overall performance in the examinations, as illustrated by examination statistics and samples of candidates' performance.
56. Samples at different levels of performance for all Category A subjects and Category B ApL subjects were also uploaded to the HKEAA corporate website to enable teachers, students and other stakeholders to better understand the standard of the HKDSE. In addition, the *2022 HKDSE Question Papers* for the 24 Category A subjects were available for sale in early November 2022 for the reference of teachers and students. Each subject-specific publication comprises the 2022 question papers, marking guidelines and the chief examiners' comments on candidates' performance.
57. From October to November 2022, teachers' conferences and experience-sharing sessions on SBA were conducted for subjects with SBA through various modes of delivery including face-to-face seminars, webinars and posting PowerPoint presentations on the HKEAA corporate website.
58. We continued to publish *HKDSE School Statistical Reports* for subscription by participating schools in late 2022. The tailor-made reports come in three categories, namely school report, class report, and teaching group report. To further facilitate learning and teaching of schools, the contents of the reports have been enhanced and the reports were delivered to schools via an online platform instead of on CD-ROM starting from 2022. The online delivery of the *HKDSE School Statistical Report* has received positive feedback from school users. According to an e-survey conducted in early 2023, 70% of respondents rated the e-report channel with a rating of 5 or higher (with six being the maximum).

Assessment Literacy Training (ALT) Programmes

59. The ALT Programme aims at introducing to secondary school teachers the major assessment principles and practices adopted in the HKDSE, as well as the elements of assessment for learning. The Programme continued in 2022/2023, and two online sessions were held in March 2023, with the participation of about 60 secondary school teachers.
60. An ALT on assessment design was conducted to a total of 51 ApL subject Course Provider representatives on 23 September 2022.
61. We also conducted ALTs for tertiary students and other professional bodies. An ALT on marking was conducted for 47 undergraduate students from the Hong Kong Metropolitan University in October 2022. An ALT on Multiple Choice Question setting was conducted for the Hong Kong Institute of Construction of the Construction Industry Council in December 2022.
62. Riding on the positive feedback from participants in the previous years, the Course on English Language Assessment, a 10-session training course, was held again for secondary school teachers from October to December 2022, enabling them to acquire a deeper understanding of key areas of English language testing.

2023 Language Proficiency Assessment for Teachers (LPAT) [renamed as 'Language Proficiency Assessment (LPA)' from September 2023]

63. The 2023 written assessments of LPAT were conducted as scheduled on 4 and 5 February 2023 for Putonghua and English Language respectively. The speaking assessment for both subjects took place from 20 to 24 February 2023. A total of 3,180 candidates sat the 2023 LPAT, of which 1,475 sat for English Language and 1,810 for Putonghua. Precautionary measures were adopted to safeguard the health and well-being of candidates and examination personnel. In 2022/2023, the Classroom Language Assessment (CLA) was completed in early April 2023 by the EDB. All assessment results were released to candidates on 25 May 2023.
64. After the release of results, a total of 159 applications for rechecking and remarking were received, of which 29 cases applied for rechecking only and 130 cases for both rechecking and remarking. The rechecking and remarking process was duly carried out and the results were released to candidates on 29 June 2023. The Appeal Review Committee met on 5 August 2023 to consider two applications for review of the process of rechecking and remarking and one application for review of marking of scripts after access to scripts through DAR. The outcomes of these cases were released to the appellants on 15 August 2023.
65. The Assessment Reports, which provide the chief examiners' observations on candidates' performance, including their strengths and areas for improvement, were released in late July 2023 through the websites of the HKEAA and the EDB for the reference of candidates, schools and teacher education institutions. The question papers, suggested answers, Assessment Reports, etc. were available for sale in July 2023.

(B) Research and Development

Assessment Research

66. In 2022/2023, the following research projects covering two HKDSE subjects were completed:
- The final report of the research study on the development of level descriptors and mode of marking for the new subject Citizenship and Social Development was duly presented to the Research and Development Committee (RDC).
 - A study on revising the scoring rubric of Chinese Language Paper 2 (Writing) was completed. Its report will be presented to the RDC in the meeting in 2023/2024.

Development of Digital Assessment Initiative (DAI)

67. To keep up with the global trend of digital assessment, the Authority has set up the Digital Assessment Initiative (DAI). The objective of the DAI is to develop and implement a unified, end-to-end digital assessment system (DAS) that meets the requirements of different examinations with the aim of better serving our existing and potential clients, examination bodies and stakeholders. The initiative also involves developing the corresponding workflows and training for staff and examination personnel, contributing to the delivery of high-quality assessment services. The preliminary cost-benefit analysis demonstrates good potential for the initiative in supporting long-term cost savings and future growth of new computer-based test (CBT) examination business. The enterprise-wide DAS is expected to eliminate the needs for developing separate yet functionally similar applications for different examinations and replace some of the outdated applications across the Authority, resulting in substantial cost savings.

Data-driven Assessment Enhancement Programme

68. The Authority launched its Data-driven Assessment Enhancement Programme in October 2022 with the purpose of boosting teachers' skills in test design through the use of assessment data and guidance from subject experts. The programme comprises two assessment technologies: the HKDSE Diagnostic Feedback System (DFS) and the Assessment Quality-assurance Platform (AQP). The programme also includes a five-module subject-based assessment design training course and a 15-hour subject-based item writing workshop for teachers with guidance of subject experts. The programme equips teachers to use the DFS and AQP, enabling a better understanding of students' learning needs and improvement in the quality of their school assessment papers.
69. In the 2022/2023, a total of 24 secondary schools participated in the inaugural Data-driven Assessment Enhancement Programme. Kick-off sessions of the programme for Mathematics and Chemistry teachers were conducted in December 2022, followed by online learning modules in January 2023. These modules covered various topics, including test design considerations, diagnostic multiple-choice questions, and quality assurance. Teachers applied their learning by engaging in a capstone item writing project from February to July 2023. They developed multiple-choice items, provided peer feedback, and revised items with guidance from the subject experts. A bilingual test paper containing around 20 items, written by teachers, was administered at schools. The response data was then analysed using the AQP. Finally, teachers drafted feedback for each item, which was further reviewed and edited by subject experts before being

provided to students.

70. The 2022/2023 Data-driven Assessment Enhancement Programme was completed in July 2023. As reflected by the evaluation survey results, the majority of respondents found the programme met or exceeded their expectations. Teachers agreed that the learning modules inspired them to engage in further reflection on assessment practices. The teachers also acknowledged the advantages of the DFS and provided suggestions to further enhance future iterations of the system.
71. The DFS was further promoted through school visits, webinars and presentations. We visited three schools to collect feedback and discuss how DFS could support learning and teaching. Additionally, a presentation on enhancing assessments through DFS and AQP was conducted for representatives of government secondary schools on 29 August 2023, with positive feedback received.

HKEAA Research Forum 2022

72. The HKEAA Research Forum 2022 was held on 17 November 2022, with the theme ‘Assessment and Education for the Future’. Nine assessment and education experts from the Mainland, Hong Kong, France and the United States shared their research studies and insights on various topics, including digital assessment, Assessment for Learning, STEM education, and international surveys. The panel discussion session provided an opportunity for local and overseas scholars to exchange views on using assessment to enhance educational development. The diverse programme of the Forum inspired new ideas for promoting innovative assessment, applying digital technologies, developing STEAM strategies, and understanding the factors that influence assessment outcomes. Selected research studies presented at the Forum will be featured in a special issue in the academic journal ‘*China Examinations*’ published by the Ministry of Education.

HKDSE Predicted Level Study 2022

73. The HKDSE Predicted Level Study aimed at investigating the accuracy of predicting school candidates’ HKDSE results based on their school internal assessment marks. A webinar was held on 31 October 2022 to share the results of the Study with 180 school representatives. A total of 417 participating schools, representing about 89% of the participating schools, submitted internal assessment marks of about 38,100 school candidates for the Study. Detailed school reports were also delivered to schools participating in the Study to help teachers understand students’ performance in public examinations and improve the design of their school assessments.
74. Data collection for the 2023 Predicted Level Study was conducted from April to June 2023, inviting schools to submit Secondary 6 mock examination marks. Subject heads were also surveyed about their learning and teaching at school. Eventually, 391 schools submitted mock examination marks and 230 schools took part in the survey. This additional data will be used to construct multi-level models through identification of factors affecting prediction accuracy.

Research Fellowship Programme

75. The Authority launched the Research Fellowship Programme during the reporting year

to collaborate with universities and nurture a pool of talented researchers. In the two-month period of the inaugural programme, the research fellow made good use of her expertise in statistics to develop new skills in psychometric methods under supervision and applied them to several HKDSE research projects. A long-term collaboration relationship has been established with the research fellow, resulting in mutual benefits for both parties.

Feasibility Study on Improvement of HKDSE Research Tests

76. Challenges in administering HKDSE research tests over the past three years due to the suspension of face-to-face classes have raised concerns about collecting a sufficient number of reliable samples for the research tests used for HKDSE equating purposes. A feasibility study was conducted to explore the impact of shortening the research tests on test reliabilities and the use of research test data in the Standards-referenced Reporting data analysis. The goal of the study was to encourage greater school participation, improve student motivation to participate in the tests, and collect more reliable data.
77. The results of the feasibility study indicated the potential to remove some test items while maintaining content validity, reliability and standards. Recommendations to shorten the research tests for English Language and Mathematics, along with plans for future administrations, were approved. The revised tests are expected to be implemented in 2024. Shortening tests also help address concerns related to student fatigue or loss of attention and therefore enhance their motivation to participate in the tests.

Quality Assessment Management Accreditation Scheme (QAMAS)

78. The QAMAS certificate presentation ceremony was held in hybrid mode on 29 November 2022. A total of 15 primary and secondary schools were accredited for their commitment to quality examination and assessment management. The event also included an experience sharing session on practical methods for preparing contingency plans in assessment activities.

Participation in International Conferences and Publications

79. The Authority continued to engage in research collaborations and knowledge sharing in the assessment field through various academic activities. Eight papers were published in peer-reviewed international journals on topics related to psychometric modelling, measurement methodology, and language assessment. Fifteen papers were presented at international and regional conferences such as the American Educational Research Association (AERA) Annual Meeting, the National Council on Measurement in Education (NCME) Annual Meeting, the Launch Meeting of the Education Assessment Alliance of Guangdong, Hong Kong and Macao, and the Psychometric Society Annual Meeting. In addition, invited talks and keynote speeches were delivered on topics like automated scoring, use of AI in the entire assessment process and learning progress, the innovation and science behind assessment, English language tests for international higher education admissions, etc.

Comparison Study of LPAT and IELTS

80. The Authority was commissioned by the EDB to conduct a comparison study between

the IELTS and LPAT English assessments in 2023. The study involves the development of a conversion table showing equivalent IELTS band score ranges for each LPAT level, including overall proficiency and scores for Reading, Writing, Listening and Speaking papers. The final report has been submitted to the EDB.

Learning Circle

81. ‘Learning Circle’ has been built by the Authority to promote an active learning culture and to keep staff abreast of the latest development in assessment and examinations. During the reporting year, we provided assessment literacy training to HKEAA staff of relevant divisions on using multilevel modelling in data analysis. The sessions offered a pre-recorded workshop and discussion about how multilevel models could be used. Participants found the session practical and inspiring.

(C) Territory-wide System Assessment (TSA)

Gainful Use of TSA 2022 Materials (GU 2022)

82. In view of the volatility of the COVID-19 epidemic, the EDB announced the suspension of TSA 2022. The EDB again implemented the Gainful Use of TSA 2022 Materials (GU 2022) based on the experience gained in the past two years. Due to classes resuming in April 2022, GU 2022 was completed in late July 2022, followed by OSM which started in mid-August 2022, later than that in previous years. Special efforts were therefore made to complete the marking by late August 2022. An exit survey was sent to the GU 2022 participating schools in mid-November 2022 to collect their feedback on the arrangements. Schools’ views on the logistic arrangements for the e-mode and pen-and-paper assessment mode provided useful insights for future development.
83. The GU 2022 reports were released to participating schools in early November 2022 to give them a better understanding of students’ learning situations during the COVID-19 pandemic. In mid-December 2022, we also organised six thematic seminars for all primary and secondary school teachers of Chinese Language, English Language and Mathematics. These seminars aimed to enhance teachers’ understanding of students’ learning progress by making use of the exemplars of students’ work. We also introduced relevant teaching resources and support during the seminars. The report providing information about the background, data collection, data analysis methods, students’ performances of the three subjects at the three levels on the implementation of the GU 2022 with the overall performances of participating schools and students was also submitted to the EDB for their internal reference. The report also covered the results on a cross-year analysis (TSA 2019 vs GU 2022) of students’ performance by skill/dimension of each subject, school strata and school type. In addition, the report highlighted the suggestions for the GU 2022 arrangement and provided recommendations for enhancements in the future development of the assessment.
84. The provision of Cross-year Special Analysis (CYSA) Report to GU 2022 participating schools continued as a free-of-charge service this year. Schools with whole grade levels of students participating in both TSA 2019 and GU 2022 were eligible to apply for this report. The aim of this report was to provide schools with more in-depth insights into students’ overall performances in the three core subjects as well as in different skills/dimensions across the years so that schools can focus on specific areas of concern

and provide timely support to students. Seminars to help primary and secondary schools to interpret cross-year analysis data and graphics were held for each subject in early February 2023.

TSA 2023

85. The TSA 2023 resumed normal implementation. This year, participation of Secondary 3 and Primary 6 was in full implementation mode and Primary 3 remained in a sampling mode. However, if schools would like to obtain the school level TSA reports for Primary 3 level for reference, an opt-in mode with voluntary participation of all Primary 3 students were required. As in previous years, the Oral Assessments for secondary schools and the Oral and Chinese audio-visual (CAV) Assessments for primary schools were conducted in mid-April and early May 2023 respectively while the written assessments were conducted in pen-and-paper mode in June 2023. The question papers were uploaded onto the Basic Competency Assessments (BCA) website (www.bca.hkeaa.edu.hk) for schools to view after the completion of the assessments.
86. All the markings were completed in late July 2023 as scheduled. The Authority recruited 38 marking assistants, 769 markers and 87 assistant examiners to assist with marking and check-marking. To further study the feasibility of using iOSM in TSA, approximately 590 markers, assistant examiners and chief examiners, were invited to use iOSM for marking at school and/or at home. According to the questionnaire survey results, around 400 iOSM users from primary and secondary schools expressed that they were satisfied with using the iOSM, with an average satisfaction index being 4.95 (with 6 being the maximum). The trial experiences with iOSM will help us plan for the future mode of marking.

Other Initiatives

87. The Authority organised nine Item Writing Workshops in October 2022 and May 2023 for teachers of Chinese Language, English Language and Mathematics, targeting schools that participated in the Authority's Research Test for TSA. The workshops were well received by teachers.
88. The e-TSA item conversion for GU 2022 and TSA 2023 continued during the reporting year. The conversion of GU 2022 items was completed on schedule, and all the items were uploaded onto the 'STAR' platform of the Hong Kong Education City and ready for schools to use as formative assessment. The TSA 2023 item conversion will be completed by December 2023.
89. The EDB has once again commissioned the HKEAA to conduct the Questionnaire Survey Study on Students' Learning for the GU 2022 and TSA 2023. A professor from the Chinese University of Hong Kong will be the research consultant to assist in the survey design and analysis.

(D) International and Professional Examinations

Candidate Entries and Income

90. In the face of the prolonged COVID-19 precautionary measures and travel restrictions,

which led to a slowdown in various learning and practice activities and major changes in market dynamics, the conduct of large-scale international and professional examination programmes has encountered significant challenges. In 2022/2023, the total number of candidature of international and professional examinations was 140,875, representing a slight decrease of around 2% as compared to last year. However, by implementing various measures to optimise our examination services, we have reversed the declining trend of the past few years, resulting in the overall income of international and professional examination being on par with the previous year.

New Examinations Introduced in 2022/2023

91. The Authority devoted on-going efforts in developing new examination services to meet the emerging needs of the market. It continued to explore the development of digital assessment capabilities and introduced more computer-based examination services in 2022/2023.
92. New examinations introduced to the public include the following:

Examination Body	Examination Name	Place of Origin	Examination Format
Edutest	North Sydney Boys High School Entrance Test	Australia	Computer-based
Global Fintech Institute (GFI)	<ul style="list-style-type: none"> ● CFtP-Level 1AB Foundation ● CFtP-Level 1A ● CFtP-Level 1B ● CFtP-Level 2A ● CFtP-Level 2B 	USA	Computer-based
Hong Kong Language Studies Centre	Hong Kong Putonghua Shuping Dengji Ceshi – Primary Section (HKPSC-P)	HKSAR	Speaking
National Association of Forensic Counselors (NAFC)	<ul style="list-style-type: none"> ● Certified Forensic Addictions Specialist (CFAS) ● Certified Sex Offender Treatment Specialist (CSOTS) ● Certified Domestic Violence Counselor (CDVC) ● Certified Forensic Social Worker (CFSW) ● Certified Criminal Justice Specialist (CCJS) 	USA	Computer-based

Examination Body	Examination Name	Place of Origin	Examination Format
	<ul style="list-style-type: none"> ● Certified Forensic Counselor (CFC) 		
National Institute for International Education (NIIED)	Test of Proficiency in Korean (TOPIK)	Korea	Computer-based
Neurodiagnostic Credentialing and Accreditation (ABRET)	<ul style="list-style-type: none"> ● Certification Examination for Autonomic Professionals (CAP) ● Registration Examination for Electroencephalographic Technologists (EEG) ● Certification Examination in Long Term Monitoring (CLTM) ● Certification Examination in Neurophysiologic Intraoperative Monitoring (CNIM) ● Registration Examination for Evoked Potential Technologists (EP) 	USA	Computer-based
Relativity ODA LLC	<ul style="list-style-type: none"> ● RelativityOne Certified Pro ● Relativity Certified Sales Pro ● RelativityOne Review Pro ● Relativity Analytics Specialist ● Relativity Processing Specialist ● Relativity Data Management Specialist ● Relativity Project Management Specialist ● Relativity Review Management Specialist ● Relativity Certified Administrator - Quiz ● Relativity Infrastructure Specialist ● Relativity Certified Administrator – 	USA	Computer-based

Examination Body	Examination Name	Place of Origin	Examination Format
	Hands-on ● Relativity Legal Hold Pro		

Conclusion

Looking back at the challenging year, we would like to express sincere gratitude for the unwavering support from stakeholders in the education community, which enabled the smooth administration of not only the HKDSE but also the LPAT, TSA and the range of international and professional examinations in 2022/2023. In the future, the Authority will continue to remain committed to providing professional, equitable and reliable examination and assessment services to the community in order, to meet societal and educational needs.

Secretary General
 Hong Kong Examinations and Assessment Authority
 December 2023

HONG KONG EXAMINATIONS AND ASSESSMENT AUTHORITY

Programme of Activities

1 September 2022 – 31 August 2023

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	42,874	42,391
Day School Candidates	41,465	41,121
Day School First Attempters	41,319	40,978
Private Candidates	7,637	6,371
All Candidates	50,511	48,762

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

Number of Candidates Sat	English Language	1,475
	Putonghua	1,810

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:

1. ABRSM
2. Association of Clinical Research Professionals
3. ACT, Inc.
4. American Board of Industrial Hygiene (ABIH)
5. American Institute of Certified Planners (AICP)
6. American Society for Industrial Security International
7. American Society for Quality (ASQ)
8. American Veterinary Medical Association (AVMA)
9. American Welding Society
10. Association of Certified Fraud Examiners, Inc.
11. Australian Teachers of Dancing International Pty. Ltd.
12. BEAM Society Ltd.
13. Beijing Dance Academy
14. Board of Pharmacy Specialties
15. Cambridge Boxhill Language Assessment
16. Cambridge International

17. Center for Talented Youth - Johns Hopkins University
18. Central Conservatory of Music
19. Certification Council for Professional Dog Trainers (CCPDT)
20. Chartered Alternative Investment Analyst Association and Financial Data Professional Institute
21. Chartered Financial Analyst (CFA) Institute
22. Chartered Institute for Securities & Investment
23. Chartered Market Technicians Association
24. China Institute of Arts Science & Technology
25. China Legal Service (H.K.) Ltd.
26. Chinese Medicine Council of Hong Kong
27. Civil Aviation Department, the Government of the Hong Kong SAR
28. Civil Service Bureau, the Government of the Hong Kong SAR
29. Customs and Excise Department, the Government of the Hong Kong SAR
30. Department of Justice, the Government of the Hong Kong SAR
31. Edith Cowan University (ECU)
32. Educational Records Bureau
33. Educational Testing Service (ETS)
34. Electrical and Mechanical Services Department, the Government of the Hong Kong SAR
35. Epsom College
36. European Personnel Selection Office
37. Financial Industry Regulatory Authority (FINRA)
38. Fire Services Department, the Government of the Hong Kong SAR
39. General Aptitude Putonghua Shuiping Kaoshi (GAPSK) Examination Committee
40. Government Flying Service, the Government of the Hong Kong SAR
41. Green Building Certification Institute
42. Hong Kong Ballroom Dancing Council
43. Hong Kong Chartered Governance Institute
44. Hong Kong Chinese Orchestra (HKCO)
45. Hong Kong Dance Federation
46. Hong Kong Institute of Architects
47. Hong Kong Institute of Certified Public Accountants
48. Hong Kong Language Studies Centre
49. Hongkong Post, the Government of the Hong Kong SAR
50. Information Services Department, the Government of the Hong Kong SAR
51. Institute of Certified Management Accountants (ICMA)
52. Institute of Financial Planners of Hong Kong
53. Institution of Fire Engineers (IFE)

54. International Board of Heart Rhythm Examiners (IBHRE)
55. International Board of Lactation Consultant Examiners (IBLCE)
56. International Council for Veterinary Assessment
57. International Facility Management Association (IFMA)
58. International Society of Transport Aircraft Trading (ISTAT)
59. James Ruse Agricultural High School
60. John Monash Science School
61. Law School Admission Council
62. Medical Council of Canada
63. Ministry of Justice, PRC
64. Moody's Investors
65. Murdoch University
66. National Art Examination Development Centre, PRC
67. National Association of Teachers of Dancing (NATD), UK
68. National Board for Certification in Occupational Therapy
69. National Board of Medical Examiners (NBME)
70. National Education Examinations Authority, PRC
71. National Institute for International Education, Korea (NIIED)
72. Neurodiagnostic Credentialing and Accreditation (ABRET)
73. North Sydney Boys High School
74. Office of the Government Chief Information Officer, the Government of the Hong Kong SAR
75. OutSystems
76. Paragon Testing Enterprises
77. Pearson
78. Pearson Edexcel
79. Relativity ODA LLC
80. Royal Academy of Dance
81. Society for Human Resource Management
82. Society for Worldwide Interbank Financial Telecommunication (SWIFT)
83. Society of Actuaries (SOA)
84. Sydney Grammar School
85. The College Board
86. The Commonwealth Society of Teachers of Dancing (CSTD)
87. The Enrollment Management Association
88. The Judiciary, the Government of the Hong Kong SAR
89. The Securities Analysts Association of Japan (SAAJ)
90. The Taxation Institute of Hong Kong
91. Touchstone Institute

- 92. UK Visas & Immigration (UKVI)
- 93. United States Medical Licensing Examination (USMLE)
- 94. University of London

4. The total candidature of examinations administered by the International and Professional Examinations Division was over 140,000 in 2022/2023, with the distribution given below:

