Hong Kong Securities and Investment Institute
香港證券及投資學會



ANNUAL REPORT 2023



ABOUT HKSI INSTITUTE

The Hong Kong Securities and Investment Institute (HKSI Institute) was founded in 1997, with the support of the Securities and Futures Commission (SFC) and industry leaders to reinforce, raise and promote professional standards of the financial services industry in Hong Kong.

Our Vision

- To champion professional standards of excellence in Hong Kong's financial services industry
- To contribute to Hong Kong's role as a leading international financial centre

Our Mission

- Reinforcing standards through examinations and qualifications
- Raising standards through learning and professional development programmes
- Promoting standards through membership community

The reporting period of this HKSI Institute Annual Report is from 1 April 2022 to 31 March 2023.

CONTENTS

Message from Chairman and Chief Executive 2

Special Feature: 25 Years Anniversary 5

Our Governance 10

Business Review 29
- Empowering Professional Advancement
- Creating Member Value
- Expanding Our Network And Outreach

Secretariat 42

Reports and Financial Statements 47

MESSAGE FROM CHAIRMAN & CHIEF EXECUTIVE



"As Hong Kong enters a new phase of revitalisation post-pandemic, our service offerings place us in a strong position to meet the industry's increasing demand for knowledge and professional development."

Mr Colin Shaftesley

Chairman

In celebrating HKSI Institute's 25-year anniversary in 2022, we have our stakeholders – members, regulators, partners, examination candidates, training participants and friends – to thank. It is their steadfast backing and encouragement that have been instrumental to our success.

We have achieved a remarkable journey of growth and expansion, fuelled by our diligent commitment to our 2020-2022 strategic priorities. We explored new frontiers and set new benchmarks over the three-year period, driving us closer to our overarching vision to

- Become the preferred provider for examinations and training;
- Expand our high-quality and relevant service offerings;
- Increase engagement with our members;
- Enrich our digital learning solutions and stakeholders' experience;
- Raise brand attraction and enhance communication; and
- Advance our people and infrastructure to ensure long-term sustainability as an organisation.

Our focused strategy, aligned with our strategic priorities, encompasses reaching out to Greater Bay Area (GBA) and Mainland Chinese firms, engaging with candidates of the Licensing Examination for Securities and Futures Intermediaries (LE) and university students, and targeting specific industry sectors such as Fintech, ESG, asset and wealth management, and regulatory, compliance and ethics. This approach has yielded positive results, as we were able to channel resources to broaden our continuous professional training (CPT) library and examination services, as well as improving our member support and outreach programmes. Despite the challenges posed by the pandemic, we have successfully achieved results in most areas, although physical activities were limited.

Enhancing Collaboration and Standards

During the reporting period, we have taken proactive steps by collaborating with professional bodies, learning institutions and corporates to design sector-specific training programmes with a blended learning approach, to ensure the highest level of knowledge acquisition and skills development in the ever-evolving professional landscape. This includes launching training modules to support individuals preparing for the Certified Private Wealth Professional (CPWP) Bridging Programme Examination, as well as offering essential courses pertaining to Fintech, ESG, family office, hedge fund management and ethics.

These initiatives, along with new CPT requirements set by the Securities and Futures Commission (SFC) that came into effect on 1 January 2022, have resulted in the Institute achieving record-high training income in 2022/2023,

Technological advancements have empowered the growth of the HKSI Institute, as we reengineer and enhance our infrastructure, processes, and methodologies.



Miss Ruth Kung

Chief Executive

the highest over the past 10 years, with 62% generated from digital learning solutions and corporate training. Furthermore, enrolments in the public CPT courses and qualification programmes witnessed a significant 22% increase from the previous year.

Equally important, our ESG-themed Case Competition garnered substantial support from corporate sponsors. This talent grooming initiative achieved exceptional success by not only educating young individuals about ESG and fostering participation from GBA students, but also by enhancing member engagement and recruiting student members.

Membership Enhancements and Benefits

To better serve our members and the community, we implemented a strategic restructuring that led to the creation of two distinct teams: Membership and Market Development. The Membership team is focused on providing support and enhanced membership value propositions to members, while the Market Development team is dedicated to outreach and recruitment efforts aimed at expanding our target pool and increasing our industry impact.

During the reporting period, we conducted a pulse survey to gather member views on improving benefits and services. Following the feedback received, we offered eligible members free eCredits for training and seminars. In addition, we have partnered with The Hong Kong University of Science and Technology (HKUST) Digital MBA and Part-time MBA programmes to provide our members with special tuition fee reduction for these programmes. Furthermore, student members can now enrol in any examination sessions of the Licensing Examination for Securities and Futures Intermediaries (LE) Paper 1, 7, 8 and 12 with a 50% discount, which provides them with increased flexibility in pursuing their studies and aligning with their career goals.

On top of that, we have introduced the Online Individual Membership Application Portal, which has streamlined the membership recruitment process, resulting in reduced approval time and improved accessibility for applicants.

Employee Engagement & CSR

We place a high priority on employee engagement and well-being. To achieve this, we organise various events and initiatives. One such event is the Staff Annual Dinner, which serves as a celebration of our Institute's 25th anniversary and an opportunity to recognise long-

MESSAGE FROM CHAIRMAN & CHIEF EXECUTIVE

serving employees with Long Service Awards. We also offer opportunities for personal growth and relaxation by organising cooking classes and exercise workshops, promoting a healthy work-life balance for our employees.

Additionally, we have undertaken various corporate social responsibility (CSR) initiatives to promote sustainability and support the community. These include fostering a paperless working environment, resulting in an impressive reduction in printing volume by nearly 33%. Meanwhile in April 2022, we partnered with the Qianhai Authority, Qianhai Financial Regulatory Bureau and the various financial associations in Qianhai to distribute Rapid Antigen Test (RAT) kits and surgical masks to 100 secondary schools across Hong Kong.

Acknowledgements

We extend our heartfelt gratitude to our many contributors and key industry stakeholders for their unwavering support throughout 2022/23. Notable event highlights can be found in the "Special Feature: 25 Years Anniversary" section of this annual report.

Our sincere appreciation to our esteemed Board Directors, Committee Members and Working Group Members for their invaluable advice and guidance. Special thanks also to the Secretariat for their dedication and tireless work in ensuring the smooth running of the Institute and their steadfast commitment to our cause.

Forging Ahead

As we advance our 2023-2025 strategic priorities, we are thrilled to announce that the HKSI Institute will continue as the implementation agent of the HKSAR Government-funded Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector (WAM Pilot Programme) until 31 March 2026.

We have also established working groups to facilitate collaborative efforts with the SFC and industry thought leaders, to launch examinations and training programmes under the SFC's licensing regimes for Virtual Asset Trading Platform Operators (VATP) and the new Type 13 regulated activity – Regulatory Regime for Depositaries of SFC authorised Collective Investment Schemes (RA13) in the coming months.

Technological advancements have empowered the growth of the HKSI Institute, as we reengineer and enhance our infrastructure, processes, and methodologies. This includes diligently developing our latest computer-based examination system and online examination platform, which will pave the way for the implementation of remote examinations in 2023/2024. This new option will offer candidates the flexibility to take their examinations from any location, if not at our examination centre. Furthermore, we are leveraging artificial intelligence to streamline examination development processes and improve productivity, with exciting developments on the horizon.

As Hong Kong enters a new phase of revitalisation post-pandemic, our service offerings place us in a strong position to meet the industry's increasing demand for knowledge and professional development. Building upon the solid foundation established in 2020-2022, our next three-year plan sets the stage for further growth and advancement: supporting the development of the two new licensing regimes, enhancing the ESG and Fintech curriculum, bolstering our member-related activities and talent grooming initiatives, and reaching out to new markets and target groups.

Join us for a rewarding experience as we shape a remarkable future together.

Mr Colin Shaftesley
Chairman

Miss Ruth Kung
Chief Executive

SPECIAL FEATURE: 25 YEARS ANNIVERSARY

It was truly an extraordinary year as we celebrated our 25th anniversary. Specially curated events brought together our members and friends, creating a warm celebration of this significant milestone.

We also had the honour of recognising the exceptional contributions of Dr Au King Lun and Mr Ashley Alder, whom we proudly inducted as our Honorary Fellows in 2022.



Office Party

In conjunction with our office move to Taikoo Place, Quarry Bay, a small office party was held on 6 June 2022 for staff and Board Directors, creating a joyous atmosphere of celebration and transition.





New Office Opening Party and Young Professionals Club (YPC) Get-Together

On 20 September 2022, we hosted an office opening ceremony with Mr Tim Lui, Chairman of the SFC as our guest of honour. We were delighted to be joined by The Hon Robert Lee, Legislative Council Member of the HKSAR, Miss Salina Yan, Permanent Secretary for Financial Services and the Treasury (Financial Services), top executives from regulatory bodies, along with our guests, Board and Committee Members.

Following the ceremony, we had a Young Professionals Club (YPC) get-together session. Grooming young talent is a key focus of the Institute, and we remain committed to facilitating their connections with industry leaders.

















Mr Christopher Hui (eight from left) joining our Board Directors, Chief Executive, and Master of Ceremony in the group toast

Anniversary Dinner

Our silver jubilee celebration dinner on 12 October 2022 brought together over a hundred members and guests. It was heartwarming to have them join us in celebrating this momentous occasion.

At the dinner, we had the pleasure of hosting Mr Christopher Hui, Secretary for Financial Services and the Treasury, as our esteemed guest of honour. Additionally, we had the privilege of awarding Dr Au King Lun with Honorary Fellowship, and acknowledging Mr Steven Bernstein, Ms Clara Chiu, Mr Jeremy Leifer, and Ms Katherine Ng as our Senior Fellows for their outstanding contributions to the Institute.

Our amazing members and guests also took the time to send us their well wishes in our anniversary video.



Distinguished guests and our former Board Chairmen and Board Directors coming together for a special photo

SPECIAL FEATURE: 25 YEARS ANNIVERSARY



Mr Christopher Hui delivering his speech



Mr Steven Bernstein receiving his Senior Fellowship certificate from Miss Ruth Kung



Dr Au King Lun (right) accepting the Honorary Fellowship from our Chairman, Mr Colin Shaftesley



Mr Jeremy Leifer (left) receiving his Senior Fellowship certificate from Mr Colin Shaftesley



Capturing a precious moment of our Honorary Fellows and Chairman
From left to right: Professor KC Chan, Professor Alexa Lam, Miss Au King-chi, Mr Colin Shaftesley, Dr Au King Lun, Mr Paul Chow, and Dr Eddy Fong



Newly inducted Senior Fellows Ms Clara Chiu (second from left) and Ms Katherine Ng (second from right) flanked by Miss Ruth Kung (far left), Dr Au King Lun (centre) and Mr Colin Shaftesley

Luncheon with Mr Ashley Alder

In honour of Mr Ashley Alder's remarkable tenure and conclusion as the Chief Executive Officer of SFC, a special lunch was held on 28 November 2022 prior to his departure from Hong Kong. During the event, he was awarded the HKSI Institute Honorary Fellowship in recognition of his visionary leadership and reforms to uphold the quality and integrity of Hong Kong's financial markets, as well as for his distinguished contributions to the Institute.





ACKNOWLEDGEMENTS

Special thanks to our Anniversary Celebration Committee Members for their invaluable counsel and guidance throughout the year-long planning and execution of our celebratory events:

Mr Colin Shaftesley (Chairman)
Mr David Chau
Mr Arthur Law
Mr Robert Lui
Ms Katherine Ng
Dr Wang Zhongze

Our sincere gratitude also to the Space Committee for their strategic insights and involvement in the selection of the new office. Their dedicated efforts in ensuring a seamless relocation process, which commenced in 2021, are greatly appreciated:

Mr Samuel Tsang (Chairman)
Ms Phyllis Lee
Mr Kevin Liem

OUR GOVERNANCE

Governance Structure	**11**
Biographies of Board Directors	**14**
Committee Members	**22**

GOVERNANCE STRUCTURE



GOVERNANCE STRUCTURE

The Board

The HKSI Institute is governed by its Board which comprises of experienced professionals from diverse background. The Board consists of directors elected by its Members and those being appointed by the SFC.

The Board may exercise all the powers of the HKSI Institute and plays a crucial role in setting the strategy, directions and policies of the HKSI Institute. It also provides guidance and support to, as well as oversees the work of, the Chief Executive and the Secretariat.

Board Directors

Mr Colin SHAFTESLEY (Chairman)
Mr Dickson CHAN[1]
Mr Vincent CHAN
Mr David CHAU[2]
Mr Graham COTTINGHAM
Mr Eric HO[3]
Miss Angelina KWAN
Mr Jeremy LAM[3]
Mr Christopher LEE[2]
Ms Phyllis LEE
Mr Kevin LIEM
Mr Ken LO[1]
Mr Robert LUI
Ms Katherine NG[2]
Mr Barry TONG
Mr Samuel TSANG[2]
Dr Gordon TSUI[4]
Dr WANG Zhongze
Mr Foster YIM[1]

1 Elected on 15 December 2022
2 Retired on 15 December 2022
3 Re-appointed on 15 December 2022
4 Appointed on 15 December 2022

Chairman and Chief Executive

The Chairman of the Board is elected by the Board Directors at a Board meeting held prior to the Annual General Meeting (AGM), and the appointment takes effect from the conclusion of such AGM. At the Board meeting held on 20 September 2022, Mr Colin Shaftesley was re-elected as the Chairman for a one-year term effective from its 25th AGM on 15 December 2022.

The Chairman leads the Board in setting the overall strategy, directions and policies of the HKSI Institute and takes the role as an ex-officio member in all committees.

Miss Ruth Kung, Chief Executive of the HKSI Institute is also an ex-officio member of all committees of the HKSI Institute. The Chief Executive is responsible for leading the HKSI Institute in its day-to-day management as well as to develop and execute strategies approved by the Board.

Committees

There are eight standing committees under the Board. They are delegated with certain powers to facilitate effective oversight of defined functions, and to provide counsel on the HKSI Institute's programmes and operations. In addition, the committees play an important ambassadorial role in promoting the HKSI Institute, as well as its initiatives and service offerings.

Ad-hoc committee may be established by the Board for specific projects. The ad-hoc committee active during the reporting period is the 25th Anniversary Celebration Committee.

The Secretariat

The Secretariat, led by the Chief Executive, is responsible for the day-to-day operations of the HKSI Institute. There are nine business units within the Secretariat – Corporate Affairs, Corporate Communications, Curriculum and Examinations, Education and Development, Innovation and Technology, Market Development, Membership, Shenzhen Office and WAM Pilot Programme.

Risk Management and Internal Control

The HKSI Institute upholds high standards of integrity and accountability in its role as a provider of professional examinations, education and membership. Sound and effective risk management, including reputational, information security, financial and operational risk, and internal control measures are put in place to ensure a smooth and secured operation.

Compliance

The HKSI Institute is firmly committed to the regulatory compliance of accounting, tax and other required local legal requirements.

External Auditor

KPMG has been appointed as the honorary auditor of the HKSI Institute since its establishment in 1997, providing invaluable independent assessment of the Institute's financial position and controls.



BIOGRAPHIES OF BOARD DIRECTORS



Colin SHAFTESLEY

Chairman

Director since December 2009

Current roles at HKSI Institute

- Chairman, Remuneration Committee
- Ex-officio Member, all other Committees

Current office and public service

- Senior Adviser, Financial Services Practice, PricewaterhouseCoopers
- Standing Member, International Examinations Committee, Association of Certified International Investment Analysts
- Vice Chairperson, Executive Committee, TREATS
- Member, General Committee, The Sailors Home and Missions to Seafarers
- Honorary Treasurer, Hong Kong Maritime Museum
- Member, Balloting Committee, The Hong Kong Club
- Member, General Committee, The Hong Kong Club



Dickson CHAN

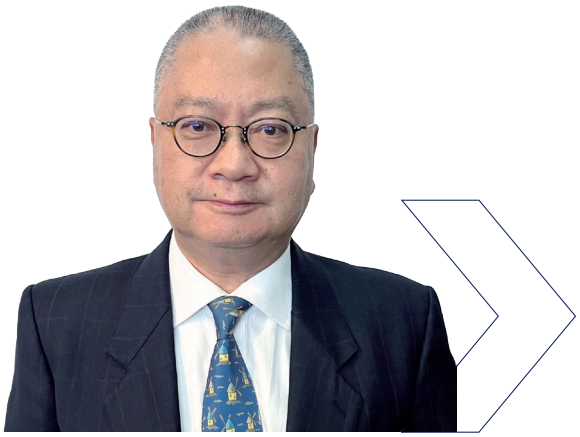
Director since December 2022

Current roles at HKSI Institute

- Member, Corporate Membership Committee

Current office and public service

- Managing Director, CITIC Securities (Hong Kong) Limited / CLSA Limited
- Member, Listing Committee, The Stock Exchange of Hong Kong Limited
- Member, Financial Services Committee, CPA Australia



Vincent CHAN

Director since December 2021

Current roles at HKSI Institute

- Member, China Committee

Current office and public service

- Partner, Beyond Ventures Asset Management Limited
- Board Member and Treasurer, Hong Kong Venture Capital and Private Equity Association
- Member, Listing Review Committee, Hong Kong Exchanges and Clearing Limited (HKEX)
- Member, Hospital Governing Committee of Castle Peak Hospital, Hospital Authority
- Member, Antiquities Advisory Board
- Panel Member, Securities and Futures Appeals Tribunal and the Resolvability Review Tribunal
- Advisory Board Member, Entrepreneurship Engine Fund, The University of Hong Kong (HKU)
- Member, Investment Sub-Committee, HKU
- Chair, Investment Sub-Committee, HKU School of Professional and Continuing Education (SPACE)
- Member, Investment Committee, Corporate Venture Fund of Hong Kong Science & Technology Parks Corporation (HKSTP)
- Board Member, Hong Kong Foundation for The University of Manchester



Graham COTTINGHAM

Director since December 2017

Current roles at HKSI Institute

- Member, Individual Membership Committee

Current office and public service

- Chief Executive Officer, Quartermain Group
- Director, International Renewable Energy Limited
- Trustee, Investment Committee Chairman, Hong Kong Occupational Retirement Schemes
- Director and Honorary Secretary, Vis East Moot Foundation
- Arbitrator for Commercial, Financial Services, Energy and Cross-Border Trade and Investment Disputes at Hong Kong International Arbitration Centre, South China International Arbitration Centre, Asia International Arbitration Centre, and Saudi Centre for Commercial Arbitration

BIOGRAPHIES OF BOARD DIRECTORS



Eric HO

Director since October 2021

Current roles at HKSI Institute

- Member, Audit Committee
- Member, Remuneration Committee

Current office and public service

- Director of Licensing, Intermediaries, Securities and Futures Commission

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Angelina KWAN

Director since December 2017

Current roles at HKSI Institute

- Member, Education and Development Committee

Current office and public service

- Senior Advisor, IMC Asia Pacific Limited
- Managing Director, Stratford Finance Limited
- Board Chair, The Women's Foundation
- Panel Member, Administrative Appeals Board
- Member, Board of Trustees of Lord Wilson Heritage Trust
- Adjunct Professor, School of Accounting and Finance, The Hong Kong Polytechnic University
- Member, New Business Committee of Financial Services Development Council
- Board Director, Ebenezer School & Home for the Visually Impaired
- Council Member, UOW College Hong Kong
- Regional Advisory Committee Member, Chartered Accountants Australia & New Zealand
- Independent Non-Executive Director, Chevalier Group
- Founding Board Member, Web3Harbour
- Industry Advisory Committee Member, MSc in Finance (Fintech & Financial Analytics), Hong Kong Baptist University



Jeremy LAM

Director since December 2021

Current roles at HKSI Institute

- Chairman, Education and Development Committee

Current office and public service

- Partner and Head of Financial Services Practice, Deacons
- Board Director, Financial Services Development Council (FSDC)
- Member, New Business Committee, FSDC
- Board Director, Hong Kong Academy for Wealth Legacy
- Member, Regulatory Committee, Association of the Luxembourg Fund Industry
- Member, Investment Funds Committee, International Bar Association

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Phyllis LEE

Director since December 2018

Current roles at HKSI Institute

- Chairman, Examinations Committee

Current office and public service

- Chief Executive Officer, Universal Software Systems
- Advisor, Hang Seng Indexes Company Limited

BIOGRAPHIES OF BOARD DIRECTORS



Kevin LIEM

Director since December 2020

Current roles at HKSI Institute

- Chairman, Individual Membership Committee
- Member, Remuneration Committee

Current office and public service

- Managing Director, Masan Capital Limited
- Council Member, Hong Kong Baptist University (HKBU)
- Investment Committee Member, HKBU
- Non-Executive Director, Social Venture Hong Kong
- Non-Executive Director, Legends Corporate Bond Fund
- Independent Non-Executive Director, CWT International Limited
- Pro Bono Advisor, Sustainable Finance Initiative
- Pro Bono Researcher, HKGolden50



Ken LO

Director since December 2022

Current roles at HKSI Institute

- Chairman, Innovation and Technology Committee

Current office and public service

- Deputy Chairman and Executive Director, BC Technology Group Limited (Parent company to OSL)



Robert LUI

Director since December 2021

Current roles at HKSI Institute

- Chairman, Corporate Membership Committee

Current office and public service

- Deloitte China
  - – Hong Kong Digital Asset Leader
  - – Southern Region Offering Services Leader and Hong Kong Offering Leader, Capital Market Services Group
- Divisional President of Greater China, CPA Australia
- Member, Task Force on Promoting Web3 Development
- Council Member, City University of Hong Kong
- Member, Hong Kong Council for Testing and Certification
- Member, Sir Robert Black Trust Fund Committee
- Member, Hospital Governing Committee of Tin Shui Wai Hospital, Hospital Authority



Barry TONG

Director since December 2021

Current roles at HKSI Institute

- Member, Audit Committee
- Member, Individual Membership Committee

Current office and public service

- Advisory Partner, Grant Thornton Hong Kong Limited
- National Leader of Forensic and Investigation Services, Grant Thornton China
- President, Association of Certified Fraud Examiners, Hong Kong Chapter
- Council Member, Hong Kong Institute of Certified Public Accountants

BIOGRAPHIES OF BOARD DIRECTORS



Gordon TSUI

Director since December 2022

Current roles at HKSI Institute

- Member, China Committee

Current office and public service

- Chairman, Quality Education Fund Steering Committee
- Chairman, Chief Executive's Awards for Teaching Excellence Steering Committee
- Permanent Honorary President, Hong Kong Securities Association
- Member, Education Commission
- Member, Appeal Boards Panel (Education)
- Member, Human Capital Committee of the Financial Services Development Council



WANG Zhongze

Director since December 2021

Current roles at HKSI Institute

- Chairman, China Committee
- Member, Audit Committee

Current office and public service

- Independent Non-Executive Director, Dajia Property & Casualty Insurance Co., Ltd.



Foster YIM

Director since December 2022

Current roles at HKSI Institute

- Member, Examinations Committee

Current office and public service

- Barrister-at-law, Liberty Chambers
- Chairman, Appeal Tribunal Panel (Buildings)
- Member, Guardianship Board
- Member, Mental Health Review Tribunal
- Legal Consultant, Junior Police Officers' Association
- Legal Consultant, Traffic Wardens General Union
- Vice-President, Legal Profession Advancement Association Limited
- Council Member, Lingnan University (LU)
- Director, Hong Kong Education City Limited
- Member, Joint CUHK-NTEC Clinical Research Ethics Committee
- Advisor, Translation Departments, LU and Hang Seng University of Hong Kong
- Advisor, Master of International Banking and Finance Programme of LU



Ruth KUNG

Chief Executive

Chief Executive since October 2016

Current roles at HKSI Institute

- Ex-Officio Member, all Committees

Current office and public service

- Treasurer and Executive Committee Member, Asian Securities and Investments Federation

COMMITTEE MEMBERS

Audit Committee



Agnes TSO
(Chairman)



Eric HO



Barry TONG



WANG Zhongze

Ms Agnes TSO (Chairman)

- Mr Eric HO
- Mr Christopher LEE[1]
- Mr Barry TONG
- Dr WANG Zhongze
- Ms Kimmy CHENG (Secretary)

1 Member of 2022

Major responsibilities

- Review annual audited financial statements and recommend approval
- Recommend the appointment of external auditor and/or tax consultant to the Board
- Meet with external auditor, consider audit findings and recommendations, and monitor implementation
- Review accounting and internal control procedures and make recommendations to the Board
- Oversee the Secretariat in the design, implementation and monitoring of the effectiveness of the risk management system

Remuneration Committee



Colin SHAFTESLEY
(Chairman)



Eric HO



Jeremy LAM



Kevin LIEM

Mr Colin SHAFTESLEY (Chairman)

- Mr Eric HO
- Mr Jeremy LAM
- Mr Kevin LIEM
- Ms Katherine NG[1]
- Miss Ruth KUNG (Secretary)

1 Member of 2022

Major responsibilities

- Review and approve annual salary and bonus, to ensure that effective, appropriate and competitive remuneration policies and levels are set
- Approve the remuneration and compensation arrangements of the Chief Executive and senior staff
- Approve benefits packages to ensure that such are appropriate as a whole and in the context of the various staff grades

China Committee



WANG Zhongze
(Chairman)



Vincent CHAN



Andrew CHEUNG



Jason HO



Kenneth HO



Dicky HUNG



Calvin LEUNG



LIU Xin



Arthur MAN



Gordon TSUI



Danny WAN



Elain WONG



Michael WU



James XU



Henry YAU

Dr WANG Zhongze (Chairman)

Mr David CHAU (Chairman)[1]
Mr Alan CHAN[1]
Mr Mofiz CHAN[1]
Mr Vincent CHAN
Mr Andrew CHEUNG
Mr Jason HO
Mr Kenneth HO
Mr Dicky HUNG
Mr Calvin LEUNG
Mr Kenneth LEUNG[1]
Dr LIU Xin
Mr Arthur MAN
Mr Benson NG[1]
Mr Samuel TSANG[1]
Dr Gordon TSUI
Mr Danny WAN
Mr Lewis WAN[1]
Ms Elain WONG
Dr Michael WU
Mr James XU
Mr Henry YAU
Ms Emily HE (Secretary)

1 Member of 2022

Major responsibilities

- Advise on the overall direction and recommend priorities for the Mainland market including Mainland Chinese community in Hong Kong
- Review and approve the annual Mainland business plan with target goals for Board's endorsement
- Monitor the progress of the implementation of the Mainland business plan
- Provide advice on relevant service offerings for Mainland Chinese corporations and practitioners
- Identify good speakers to deliver China series webinar
- Recommend initiatives to recruit and engage Mainland Chinese corporations, practitioners and members

COMMITTEE MEMBERS

Corporate Membership Committee



Robert LUI
(Chairman)



Johnathan CHA



Dickson CHAN



Raymond CHAN



Wilson CHAN



Clara CHIU



Oliver GOH



Ronnie KUNG



Andrew LAM



Janet LI



Peter LI



Trini TSANG



Wendy TSANG



Hans WONG



Bernard WU

Mr Robert LUI (Chairman)

- Mr Steve BERNSTEIN[1]
- Mr Johnathan CHA
- Mr Dickson CHAN
- Mr Raymond CHAN
- Mr Wilson CHAN
- Mr David CHAU[1]
- Miss Clara CHIU
- Mr Oliver GOH
- Mr Ronnie KUNG
- Mr Andrew LAM
- Mr Calvin LEUNG[1]
- Miss Janet LI
- Mr Peter LI
- Mr Troy LI[1]
- Mr Ken LO[1]
- Ms Katherine NG[1]
- Mr Trini TSANG
- Ms Wendy TSANG
- Mr Hans WONG
- Mr Bernard WU
- Mr Keith YAN[1]
- Ms Ivy LAM (Secretary)

1 Member of 2022

Major responsibilities

- Approve corporate membership and progression applications
- Review reported disciplinary matters and report to the Board for appropriate actions
- Review benefit and service packages for different classes of corporate members

Education and Development Committee



Jeremy LAM
(Chairman)



Simon AU YEUNG



Lawrence CHAN



Anthony CHEUNG



Michael FOOTMAN



Tom JENKINS



Angelina KWAN



Philip KWONG



Ka Shi LAU



Mark LIN



Christopher LONG



Holly MAN



Gordon NG



Candy PAN



Brian ROBERTS

Mr Jeremy LAM (Chairman)

Mr Christopher LEE (Chairman)[1]
Mr Simon AU YEUNG
Mr Lawrence CHAN
Ms Marcella CHAN[1]
Mr Andrew CHEONG[1]
Mr Anthony CHEUNG
Mr Samuel CHOI[1]
Mr Michael FOOTMAN
Mr Tom JENKINS
Mr Ronnie KUNG[1]
Miss Angelina KWAN
Mr Philip KWONG
Ms Ka Shi LAU
Mr Mark LIN
Mr Bonn LIU[1]
Mr Christopher LONG
Ms Holly MAN
Mr Gordon NG
Ms Candy PAN
Mr Brian ROBERTS
Mr Wilfred YIU[1]
Miss Ruth KUNG (Secretary)

1 Member of 2022

Major responsibilities

- Advise on the overall strategy, policies and priorities regarding professional competency development and quality assurance standards
- Perform quality reviews on our learning solutions
- Act as or recommend subject matter experts

COMMITTEE MEMBERS

Examinations Committee



Phyllis LEE
(Chairman)



Andrew CHEONG



Alison CHEUNG



Y F CHEUNG



Richard CHOW



Benny CHUNG



Marvin LAI



Victor LEE



Craig LINDSAY



Adam LO



Adam SINGER



Allen TZE



Lewis WAN



Leon XU



Foster YIM

Ms Phyllis LEE (Chairman)

Mr Samuel TSANG (Chairman)[1]
Mr Andrew CHEONG
Ms Alison CHEUNG
Mr Y F CHEUNG
Dr Richard CHOW
Mr Benny CHUNG
Ms Ada FU[1]
Mr Marvin LAI
Mr Victor LEE
Ms Helen LEUNG[1]
Mr Michael LI[1]
Mr Craig LINDSAY
Mr Adam LO
Mr Daniel POON[1]
Mr Adam SINGER
Mr Joseph TAM[1]
Mr Allen TZE
Mr Lewis WAN
Mr Leon XU
Mr Eric YAU[1]
Mr Foster YIM
Mr Bernard HO (Secretary)

1 Member of 2022

Major responsibilities

- Oversee issues and matters pertaining to the strategy, direction and quality of the development, maintenance and administration of examinations and related study manuals offered by the HKSI Institute
- Advise on the overall strategy, policies and priorities regarding setting professional qualification standards, assessment of professional competency, quality assurance standards and security controls
- Perform quality reviews on study manuals and/or examination questions
- Act as or recommend subject matter experts

Individual Membership Committee



Kevin LIEM
(Chairman)



Jose ALVARES



Marcella CHAN



Samuel CHOI



Graham COTTINGHAM



Kent LAI



Raymond LAU



Christopher LEE



Helen LEUNG



Malcolm MUI



Christopher TANG



Barry TONG



Agnes TSO



Joe YIU

Mr Kevin LIEM (Chairman)

Mr Jose ALVARES
Ms Marcella CHAN
Mr Andrew CHEUNG[1]
Mr Wilson CHEUNG[1]
Mr Samuel CHOI
Mr Graham COTTINGHAM
Mr Katsunori KOBAYASHI[1]
Dr Kent LAI
Mr Raymond LAU
Mr Christopher LEE
Ms Helen LEUNG
Mr Malcolm MUI
Mr Christopher TANG
Mr Barry TONG
Ms Agnes TSO
Mr Tomas VACEK[1]
Prof Anna WONG[1]
Mr Foster YIM[1]
Mr Joe YIU
Ms Ivy LAM (Secretary)

1 Member of 2022

Major responsibilities

- Approve individual membership and progression applications
- Review reported disciplinary matters and report to the Board for appropriate actions
- Review benefit and service packages for different classes of individual members
- Responsible for Senior Fellowship nominations

COMMITTEE MEMBERS

Innovation and Technology Committee



Ken LO
(Chairman)



GAN Kok Tin



Louis MAK



Ethan WANG

Mr Ken LO (Chairman)

Ms Phyllis LEE (Chairman)[1]
Mr GAN Kok Tin
Mr Louis MAK
Mr Ethan WANG
Mr Dennis CHEUNG (Secretary)

1 Member of 2022

Major responsibilities

- Advise on the overall strategy and direction of the Advanced Learning and Examinations Platform (ALEP) and all IT projects
- Oversee the quality assurance processes and perform high level quality review of the key deliverables
- Ensure IT control framework and security meet the industry standard

BUSINESS REVIEW

Empowering Professional Advancement 30

Creating Member Value 36

Expanding Our Network And Outreach 39

EMPOWERING PROFESSIONAL ADVANCEMENT

We continue to offer a wide range of job and industry specific qualification examinations and development programmes, catering to both practitioners and new entrants to enable them to acquire and fulfil industry competency requirements while providing a clear career progression pathway. Our offerings ensure the quality of our practitioners matches international standards and help them gain a competitive edge in the financial services industry.

QUALIFICATIONS

Examination Offerings

Summary of the examinations administered during the reporting period:

Practising Qualification Examinations
Licensing Examination for Securities and Futures Intermediaries (LE)
MPF Intermediaries Examination
PRC Securities Regulations Examination
The Chinese Gold and Silver Exchange Society Qualification Examination (GSQE)

Professional Qualification Examinations
Certified International Investment Analyst (CIIA) Final Examination
Certified Private Wealth Professional (CPWP) Module 1 Examination
Certified Private Wealth Professional (CPWP) Bridging Programme Post-training Examination
Investment Operations Certificate (IOC)
Trust Training Certificate (TTC) Examination

New LE Papers

In response to the SFC's licensing regimes for the Virtual Asset Trading Platform Operators (VATP) and the new Type 13 regulated activity (RA13) applicable to depositaries of SFC-authorised collective investment schemes, we have taken a proactive approach to develop high-quality and relevant examinations. To facilitate this process, we established the Virtual Assets Working Group and the Trust Working Group, working closely with the Securities and Futures Commission (SFC) to establish standards for new examination papers, as well as develop training programmes that will benefit individuals who need to carry on these activities under the new regulatory frameworks. The examinations and training programmes are expected to be launched in 2024.

Launch of the CPWP Bridging Programme

Recognising the shared core competencies between Hong Kong Monetary Authority's Enhanced Competency Framework on Retail Wealth Management (ECF-RWM) and Private Wealth Management (ECF-PWM), we worked closely with Private Wealth Management Association (PWMA) and the Hong Kong Institute of Bankers (HKIB) to develop and administer a bridging programme to enable qualified holders of HKIB's Certified Retail Wealth Professional (CRWP) Certification under ECF-RWM to pursue the Certified Private Wealth Professionals (CPWP) Certification under ECF-PWM. This initiative allows individuals to seamlessly enter the private wealth management sector by leveraging their existing expertise.

The CPWP Bridging Programme, launched in January 2023, consists of two mandatory training modules along with a post-training examination. Upon successfully completing the CPWP Bridging Programme, participants will receive a PWMA-recognised Certificate of Completion, which is equivalent to passing the examinations of CPWP Module 1 (Paper 1) and Module 2.

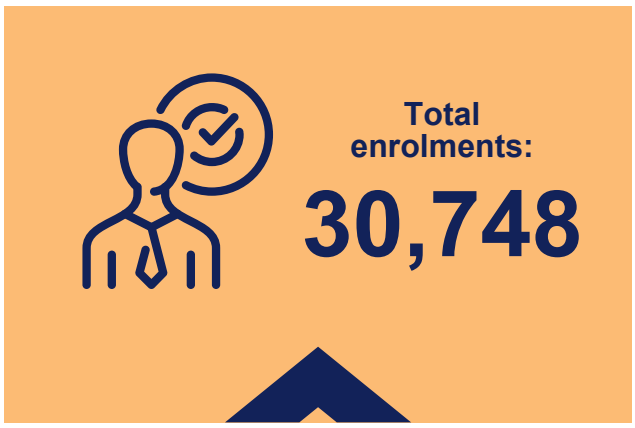
The HKSI Institute plays a key role in overseeing the overall programme management, including enrolment, examination administration and certificate issuance. We also develop Module 1 of the bridging programme, which focuses on technical and product knowledge, while HKIB is responsible for Module 2, which covers the ethics and compliance aspect.

Overall Examination Enrolments

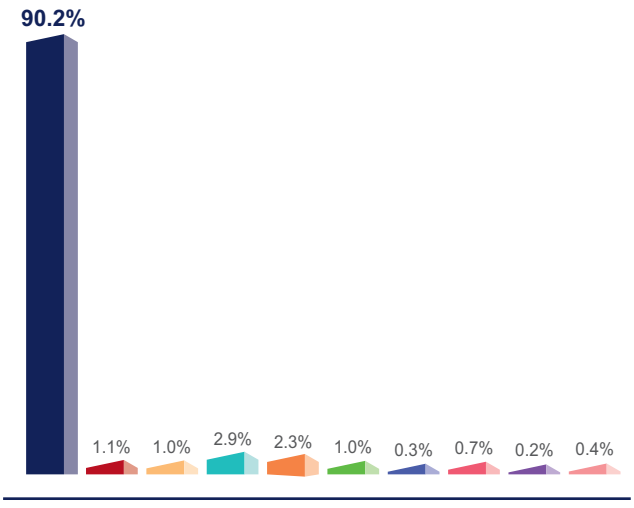
For the financial year ended 31 March 2023, we have held 1,155 examination sessions with a total of 30,748 enrolments. Compared to the previous fiscal year, there was a decline of approximately 6.6% in overall examination enrolments. The changes were primary influenced by two factors: the reduced LE examination sessions in Mainland China due to the pandemic and the stabilisation of the high uptake of LE Paper 17 from last year.

In Hong Kong, physical examination sessions were cancelled in April 2022 due to social distancing measures implemented in response to the fifth wave of the pandemic. However, we offered special one-on-one online examination arrangements during the month for candidates who urgently needed to sit for the examinations.

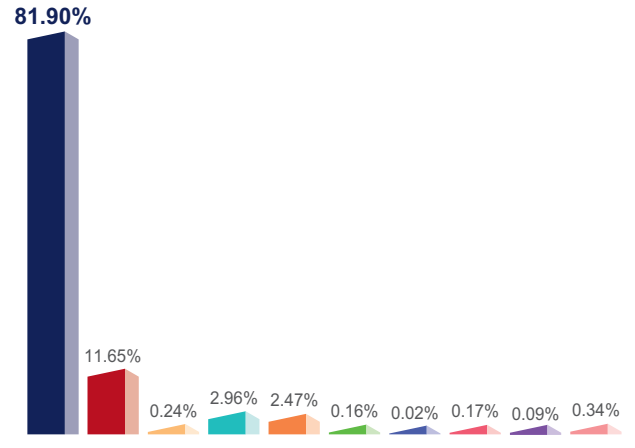




Examination Sessions



Enrolments



- LE In Hong Kong
- LE In Mainland China (Paper 1, 2, 3, 5, 6, 16 and 17)
- LE In Taiwan (Paper 1, 2, 7, 8, 9 and 12)
- LE in Macau
- CPWP Module 1 Examination
- MPF Intermediaries Examination
- CIIA Final Examination
- GSQE Examination
- PRC Securities Regulations Examination
- TTC Examination

EMPOWERING PROFESSIONAL ADVANCEMENT

Licensing Examinations for Securities and Futures Intermediaries (LE)

In Hong Kong, there has been an increase in LE uptake, with 1,042 LE sessions (2022: 923) conducted, recording a total of 25,184 enrolments (2022: 23,639) from 11,832 candidates (2022: 11,225). Similar to last corresponding period, LE Papers 1, 7 and 8 recorded the highest enrolment in Hong Kong and represented 72% of total LE enrolments.

Distribution of LE Paper Enrolments in Hong Kong:

	Enrolments
LE Paper 1	55.6%
LE Paper 7	8.2%
LE Paper 8	7.6%
Other LE Papers	28.6%

Aside from Hong Kong, LE Paper 1, 2, 3, 5, 6, 16 and 17 were offered in Beijing, Shanghai, Shenzhen, Chengdu, Xian, and Wuhan in July, in cooperation with the Securities Association of China (SAC). Due to the volatility caused by the pandemic, enrolments in Mainland China decreased by more than half compared to last year, with 3,582 enrolments.

In Taipei, Paper 1, 2, 7, 8, 9 and 12 were offered in collaboration with the Securities and Futures Institute. During the reporting period, there has been a decrease in the number of enrolments for these papers, with 74 enrolments.

Meanwhile in Macau, all LE papers were offered in collaboration with the Macau Institute of Financial Services. The financial services industry in Macau has been experiencing growth, leading to a remarkable increase of approximately 55% in LE enrolments compared to the last financial year, with 910 enrolments.

	Enrolments[#]	Average pass rate
LE in Hong Kong	25,184	56.2%
LE in Mainland China	3,582	58.6%
LE in Taiwan	74	57.6%
LE in Macau	910	52.5%

[#] Number of enrolments includes multiple enrolments by the same individuals during the reporting period.

DEVELOPMENT

We achieved a record-high training income of HKD12.5 million last year, the highest over the past 10 years, with 62% generated from digital learning solutions and corporate training. There was impressive growth during the reporting period in enrolments for public CPT courses and qualification programmes. Number of these public CPT enrolments were approximately 11,600, representing a remarkable 22% increase from last year.

These results can be attributed to the new CPT requirements set by the SFC that came into effect on 1 January 2022, from the earlier five CPT hours to 10 CPT hours.

Enhancing Training Compliance: Relevant Subject Labels Added

Under the new SFC CPT requirements, licensed individuals need to attend at least five CPT hours per calendar year on topics directly relevant to their regulated activities (RA) and two CPT hours on ethics or compliance.

To address practitioners' needs and facilitate learning, we have categorised all our courses, totalling more than 400, with the "Relevant Subject" label. Our corporate members have shared that this labelling is helpful when identifying relevant courses for their staff.

During the reporting period, we also implemented specific targeted promotions. This included grouping the courses under relevant themes, such as regulated activities (RA1 and 4), and topics like ethics or compliance. This approach facilitated easy and effective course selection for practitioners.

Expanded CPT library: Enhancement in Multiple Dimensions

In line with our business plan, we significantly expanded our CPT course offerings in multiple dimensions. This expansion includes a mix of in-person sessions, interactive webinars, and eCourses, effectively enriching our library and providing licensed individuals with a range of relevant and high-quality training options.

Ethics

Four courses on ethics were offered, including two eCourses titled "The Fundamentals of Business Ethics" and "The Essentials of Ethical Culture and How to Make An Ethical Decision". These eCourses are available in three versions: English, Traditional Chinese, and Simplified Chinese.

Additionally, a highly participative webinar session "Integrity@Work" was organised, facilitated by Mr Simon Culhane, former Chief Executive Officer of the Chartered Institute for Securities & Investment. We also invited the Independent Commission Against Corruption (ICAC) to deliver a talk on "Ethics and Compliance – Keys to Professional Success" for financial services practitioners with managerial roles.

Hot topics: ESG, Virtual Assets and Fintech

We invited high-profile speakers to deliver courses on ESG, Virtual Assets, and Fintech. These include informative sessions such as "Green Fintech: What is happening in Asia", "Essentials of Virtual Assets Compliance", and "Technology Risks of Hot Topics in Financial Sector", among others.

Responsible Officers (RO) training series

To enhance regulatory compliance, four new courses have been introduced, specifically designed for ROs.

Asset and Wealth Management

Six new advanced level WAM Pilot Programme-eligible seminars were organised, offering specialised training to experienced market practitioners.

Family Office and Hedge Fund Training Programme

Two comprehensive eCourse series were launched: Henley's Family Office Program with 12 modules and Henley's Executive Hedge Fund Program with 17 modules.

LE Practice Questions

We expanded our online practice questions to include LE Paper 7 and 8, in addition to LE Paper 1 which was launched last year. By offering practice materials for these popular papers, we aim to enhance candidates' examination preparation with valuable resources.

EMPOWERING PROFESSIONAL ADVANCEMENT

First Hybrid Event Connecting Hong Kong, Shenzhen and Shanghai

On 7 September 2022, Mr Nicolas Aguzin, Chief Executive Officer of Hong Kong Exchanges and Clearing Limited, made his debut as a HKSI Institute speaker at our first hybrid event - which include a formal luncheon held in Hong Kong. The event was attended by over 300 participants both in-person and online. Mr Aguzin highlighted his perspective on the Hong Kong market, underscoring the vast opportunities in the Greater Bay Area and Hong Kong's vibrancy and attractiveness as a capital raising hub.

Through this event, we successfully expanded our reach to Shenzhen and Shanghai, broadcasting directly to these markets to strengthen relationships, foster collaboration, and open up growth opportunities.



Fireside chat session between Mr Nicolas Aguzin (right) with moderator Mr Colin Shaftesley, Chairman of HKSI Institute



A full house at the regulatory luncheon in Hong Kong



Live broadcast at Shenzhen



Live broadcast at Lingang, Shanghai

More Varieties of Inhouse Training Arrangements

In addition to our traditional in-house training and eCourse corporate subscriptions, we have collaborated with clients to design training programme with a blended learning approach, encompassing a combination of self-study modules, pre-course quizzes, live tutorials, post-course online practices, and more.

We also established close collaborations with corporations to ensure that they are well-informed of relevant public courses and have easy access to the customised training arrangement that fit their specific needs.

Joint Seminars with PWMA

Building on our strong partnership with the Private Wealth Management Association (PWMA), we have strategically expanded our collaboration through joint seminars. During the reporting period, two seminars "Virtual Banking Landscape and Recent Development" and "Hong Kong's Virtual Assets Licensing Regime - The Next Steps" were delivered and received overwhelming enrolments.

These initiatives have amplified our training capabilities and offerings in the field of private wealth management and deepen our shared commitment with PWMA towards fostering excellence in the industry.

Continuing the Learning Journey: CPT Star 2022

In 2022, we recognised 22 Members as CPT Stars for completing more than 15 CPT hours at the HKSI Institute. These star learners shared their insights on the importance of continuous learning and development in a video, emphasising its role in helping them advance their careers. Our aim is to inspire members to pursue continuous learning and going beyond regulatory requirements to achieve professional success.



Quality Assurance and Standards Enhancement

In addition to leveraging technology to deliver and uphold stringent quality standards in our examination and training offerings, we consistently prioritise the implementation of robust quality assurance policies and internal control procedures.

We conducted regular reviews and updates of our study manuals and examination questions. During the period under review, six study manuals and their question banks were updated to reflect the latest regulatory and market developments.

We are grateful to our reviewers, assessors, advisors, and contributors for their invaluable input and objective assessment in developing and maintaining the high quality of our examinations and trainings.

Reviewers of Study Manuals

- Mr Marvin LAI
- Ms Helen LEUNG
- Mr Michael LI
- Mr Joseph TAM
- Mr Leon XU

Reviewers of Examination Questions

- Ms Alison CHEUNG
- Mr Wilson CHEUNG
- Mr Benny CHUNG
- Mr Marvin LAI
- Mr Michael LI
- Mr Craig LINDSAY
- Mr Daniel POON
- Mr Allen TZE
- Mr Leon XU
- Mr Eric YAU

Assessors of Examination Questions

- Mr Alex CHAN
- Mr Jeffrey CHAN
- Mr Louis CHOW
- Mr Danny WAN
- Mr Frankie YAN

Reviewer of On-site Courses

- Mr Christopher LEE

Moderators for Luncheons and Seminars

- Dr AU King Lun
- Mr Andrew CHEONG
- Mr Samuel CHOI
- Mr Michael FOOTMAN
- Miss Angelina KWAN
- Ms LAU Ka Shi
- Mr Christopher LEE
- Ms Helen LEUNG
- Mr Mark LIN
- Mr Bonn LIU
- Mr Samuel LUNG
- Mr Colin SHAFTESLEY

CREATING MEMBER VALUE

As of 31 March 2023, the numbers of Individual Members stood at 2,482, compared to 2,449 in the previous year. Meanwhile, our Corporate Members remained steady at 135, same as the previous year.

Introducing New Team Dynamics

Over the past year, we have undergone a restructuring of our Membership and Market Development teams. This strategic move enables us to cultivate a more specialised focus on key areas, allowing us to serve our members and the wider community more effectively.

The Membership team is dedicated to providing our members with the highest level of support and service. This includes enhancing member benefits, engaging our members through various activities, as well as managing membership applications, renewals, and other related inquiries. Meanwhile, our Market Development team focuses on outreach and recruitment initiatives, aiming to expand our membership base and increase our impact within the industry.

During the reporting period, we accomplished and implemented several key achievements and initiatives. The following outline highlights these accomplishments.

ESTABLISHING A VIBRANT COMMUNITY

Automation of Membership Application

The Online Individual Membership Application Portal was officially launched on our website on 16 March 2023, following a soft launch in November 2022. The move facilitates a more efficient member recruitment process, with online applications approved approximately 2.5 times faster, reducing the average approval time to 5 days compared to paper forms. Furthermore, the online application portal is much more accessible than the conventional method. Since the soft launch until the end of the reporting period, more than 500 online applications were received.

Member Search Function on Website

On 3 October 2022, we launched a new Member Search function on our website. This feature simplifies member identification and enhances the visibility of our member community.

Building a Stronger Member Community: Member Ambassador 2022

We are grateful for the dedication and support of our Member Ambassadors in building a strong and vibrant member community, and we look forward to continuing to work together to achieve our shared goals.

A total of 38 Member Ambassadors successfully referred 67 new Individual Members and two new Corporate Members in 2022. The Member Ambassador of the Year 2022 award went to Board Director Mr Robert Lui, who had the highest number of successful referrals.



Mr Robert Lui (right) receiving the Member Ambassador for the Year 2022 certificate from our Chairman, Mr Colin Shaftesley

In March 2023, we updated our Membership Rules to recognise the expertise gained by academics in the financial services industry, aiming to actively encourage their participation and expand our community of professionals.

Continuous Talent Development: Case Competition 2023

In response to the increasing trend of companies integrating ESG principles into their business strategies and operations, this year's Case Competition continued to focus on Environmental, Social, and Governance (ESG). Launched in September 2022, the competition received unwavering support from our Lead Sponsor, five Cash Sponsors and 14 Project Sponsors.

Thanks to the strong support of university representatives, we experienced a 87% increase in application, with 373 applications from over 20 higher education institutions, including two new universities from the Greater Bay Area: Jinan University and The University of Macau. To enhance flexibility, we allowed sponsors to decide their research topics for their coached groups of up to 16 students each. Meanwhile, students were given the option to join as teams of two to three members or as individuals, to complete the research projects within a two-month period.

Each Project Sponsor nominated their best performing unit as a semi-finalist, of which the semi-finalists have to submit a 10-minute video presentation, a 15-page PowerPoint, and a two-page report on a three-year DEI (Diversity, Equity and Inclusion) programme for a financial services institution or listed company.

We extend our sincere gratitude to our sponsors for their invaluable contributions in nurturing young talents. Our heartfelt appreciation also to the judges for their dedicated time and effort in selecting the five finalists from the 14 semi-finalists and evaluating the award winners during the 25-minute panel interviews for each finalist. Congratulations to all the award winners for their outstanding achievements!

Sponsors, judges, and award winners:

Lead Sponsor

Grant Thornton Hong Kong Limited

Cash Sponsors

BDO
HKFAEx Group
I-Access Group
Masan Capital
VCREDIT

Project Sponsors

BC Group
The Bank of East Asia
BlackRock
Deloitte
EY
Haitong International
HKEX
HSBC Asset Management
KPMG
Mercer
New Huo Tech
PwC
Roma Risk Advisory Limited
SPD Bank



CREATING MEMBER VALUE

Judges
Mr Raymond CHAN
Mr Kevin LIEM
Mr Foster YIM
Ms Katy YUNG
Ms Wendy YUNG

Winners
Champion Team ESGers Miss CHEUNG Wai Yin (The University of Hong Kong) Miss LEE Hiu Yee (The University of Hong Kong) Miss TAM Ka Ki Karen (Hang Seng University of Hong Kong)
1st Runner-up Mr XU Mingyuan (The University of Hong Kong)
2nd Runner-up Team Value Investing Mr KAN Cheuk Hin (The Chinese University of Hong Kong) Miss WONG Wai Sze (The Chinese University of Hong Kong) Miss YIM Man Kei (The Chinese University of Hong Kong)
Merit Team Polaris Miss CHAN Ka Lo Carol (The University of Hong Kong) Mr CHOW Tsz Ho (The University of Hong Kong) Miss NG Yi Pui Eunice (The University of Hong Kong)
Merit Team of Sand Sculptures Miss HOU Jiayi (The University of Hong Kong) Mr LUI Man Hin (The Hong Kong University of Science and Technology) Mr LUI Yu On (The University of Hong Kong)

In addition to the Case Competition, we also support talent grooming initiatives through the WAM Pilot Programme's Summer Internship Programme (SIP). The SIP effectively connects employers in wealth and asset management sector with university students seeking internship opportunities, offering the students with extensive exposure.

DELIVERING VALUE FOR MEMBERS

Enriching our Member Benefits

During the reporting period, we conducted a pulse survey to gather member views on improving benefits and services. The results showed that training-related benefits were the most highly valued and welcomed, as they facilitated our members' continuous education need. Based on this feedback, we have enhanced our member benefits and introduced new ones.

Eligible individual members were provided with free eCredits during this period, which can be utilised towards training programmes and seminar enrolment.

Starting from October 2022, we have become the supporting organisation for the HKUST Digital MBA for Global Leaders and Part-time MBA Programme. This partnership brings added advantages to our members, as they can now enjoy a tuition fee reduction of HKD45,000 upon successful enrolment in these programmes.

Furthermore, we have made revisions to the LE 50% Discount Scheme for Student Members, enabling them to enrol in all examination sessions for LE Papers 1, 7, 8 and 12 since February 2023. This change will provide greater flexibility for our Student Members, allowing them to plan their studies more effectively and further their career goals.

EXPANDING OUR NETWORK AND OUTREACH

To broaden our service offerings in Mainland China and the Greater Bay Area (GBA), our Market Development team has actively strengthened connections with key stakeholders, fostering collaboration and establishing new partnerships to support regional growth.

Our Shenzhen Office hosted a visit from Ms Gao Lin Xi (right) and Mr Ji Hailong (left) from Shanghai Lingang Special Area Economic Development Co., Ltd on 16 November 2022 to discuss on the long-term cooperation between our two organisations.



In an earlier engagement, our China Committee Member Dr Liu Xin was invited to join their event, “From Lingang to Hong Kong – Listing Process for Lingang New Area Enterprises in Hong Kong & Policy Exchange Conference”, to introduce the HKSI Institute to their audience.



Our Chief Executive Miss Ruth Kung (fourth from left) and team had a fruitful meeting with Ms Doris Lian, Chairman of Chinese Asset Management Association of Hong Kong (fourth from right) and their representatives on 14 December 2022. The meeting has established channels for continuous and open communication, laying the foundation for future cooperation, such as organising training sessions in Putonghua.



On 23 February 2023, we had the privilege of engaging with Ms Wang Yanhong, Deputy Chairwoman of Securities Association of China (SAC), and her team, to explore training collaboration beyond our existing partnership on LE. This is an important step toward expanding our training reach and strengthening our alliance.

In the fourth quarter of 2022/23, we submitted our applications to Luohu District Government, to include our HKSI Institute Practising Certificates and HKSI Institute Specialist Certificates in their subsidy scheme. We are pleased that our applications were subsequently approved in April 2023, allowing staff members of firms in Luohu, especially the certified public accountant (CPA) firms, to receive incentives for pursuing our qualifications.

EXPANDING OUR NETWORK AND OUTREACH

OUTREACH INITIATIVES

Additionally, our outreach initiatives actively inspire the next generation of finance professionals and create a supportive and interconnected community. Through our collaborations with educational institutions, we directly contribute to fostering professional growth and development within the industry.

UNIVERSITIES

We are grateful to our members and committee members for generously sharing their knowledge with the students.



Mr Raymond Chan, Corporate Membership Committee Member and Chief Executive Officer and Executive Director of Metaverse Securities, discussed digitalisation, post-pandemic innovations, and the latest developments in Metaverse and NFT business applications with students from The University of Hong Kong (HKU) and Peking University.



Professor Dragon Tang, Area Head in Finance at HKU Business School led a Member-only CPT seminar discussing ESG trends and global risks with attendees.



Mr Malcolm Mui, our Individual Membership Committee Member and Head of Pan-Asia Debt Syndication & Head of Asia Syndicated Finance Department at Mizuho, shared his career journey and experience with students of Lingnan University's MIBF MSc. in International Banking & Finance Programme.



Mr Howard Chan, Associate Director of eBusiness Division at Chief Group, our Corporate Member, shared his career progression with students from The Hong Kong Polytechnic University's School of Accounting and Finance, highlighting the importance of continuous learning and networking.



Mr Lewis Wan, then China Committee Member and Founder of HKFAEx Group and Visiting Professor at Beijing University of International Business & Economics, spoke about realising dreams and the importance of staying informed on global developments with Hong Kong University of Science and Technology's MSc Finance students.



Mr Dickson Chan, our Board Director and Managing Director & Head of Corporate Finance Execution at CLSA Limited, provided insights on career development in the financial services industry during a career talk with students of the HKU Business School. He emphasised the significance of internships and building a strong professional network.

Joint University Investment Game (JUIG)

We are proud to be the Honourable Sponsor of the 7th Joint University Investment Game (JUIG7). This cohort is organised by Chief Group. The competition, held from 3 to 31 October 2022, brought together a total of 1,511 participants from 29 institutions in Mainland China, Hong Kong and Macau. With simulated trading at its core, the competition offered valuable real-world learning experiences for the students. We are thrilled to have this platform to showcase the HKSI Institute's range of support in helping students achieve their professional goals, and to have Mr Kevin Liem, our Board Director, involved in delivering a speech and presenting awards.



SECONDARY SCHOOLS

In additional to our university outreach activities, we also engaged with secondary school students. In February 2023, Mr Kenju Ogyu, our Senior Fellow, support Aristo Securities Limited's Internship Programme by introducing secondary school students to the financial services industry and highlighting the role of HKSI Institute in fostering their career development.



SECRETARIAT

DRIVING DIGITAL TRANSFORMATION

Throughout the year, we tapped on our improved technical architecture to successfully deliver a range of customer-facing and internal projects. These initiatives aimed to streamline our business processes, promote digitalisation and facilitate automation.

We leveraged the advancements in AI development to collaborate with different business units. Our joint efforts involved exploring AI applications, such as automating routine tasks and providing personalised and efficient support. The use of AI will be one major focus in coming year.

Internally, we completed 12 projects focused on business automation, functional enhancements, and security improvements.

SOCIAL RESPONSIBILITY

As a good corporate citizen, we have stepped forward to take initiatives in the aspects of environmental, social, and governance.

Environmental – During the year, we have made additional efforts to promote employees' environmental awareness. This includes providing guidelines for clean recycling, placing recycling bins for papers, metal and plastic in our new office, and encouraging staff participation in various recycling campaigns organised by Swire Properties Management Limited. Examples of these campaigns include the recycling of lai see packets and mooncake boxes. Our initiative to create a paperless working environment also resulted in an impressive reduction in printing volume by 32.54%, paper consumption by 5.26%, and costs of disposing confidential documents by 92.5% during the comparable period from May to February after office relocation (2021/22 vs 2022/23).

Social – Thanks to the generous donations by the Qianhai Authority, Qianhai Financial Regulatory Bureau and the various financial associations in Qianhai, we successfully distributed 30,000 sets of Rapid Antigen Test (RAT) kits and 20,000 surgical masks to 100 secondary schools across Hong Kong in April 2022. This support came at a crucial time during the ongoing COVID-19 pandemic, where these resources are in high demand. The Association of Hong Kong Chinese Middle Schools and the Hong Kong Association of the Heads of Secondary Schools played a pivotal role in coordinating the distribution process, with four schools designated as convenient collection points for the distribution.



@ Henrietta Secondary School



@ Baptist Lui Ming Choi Secondary School



@ ELCHK Lutheran Secondary School



@ Baptist Wing Lung Secondary School

Under the same initiative, we distributed 10,000 surgical masks donated by the Qianhai community to the Hong Kong Securities and Futures Professionals Association. These masks were intended for their distribution to their members and practitioners who are in need.

As in previous years, we also took part in the Community Chest Dress Casual Day 2022.

Governance – To ensure effective internal risk assessment and compliance with applicable laws and regulations, departmental health-checks were conducted with major policies and procedures being identified, revised, and enforced.

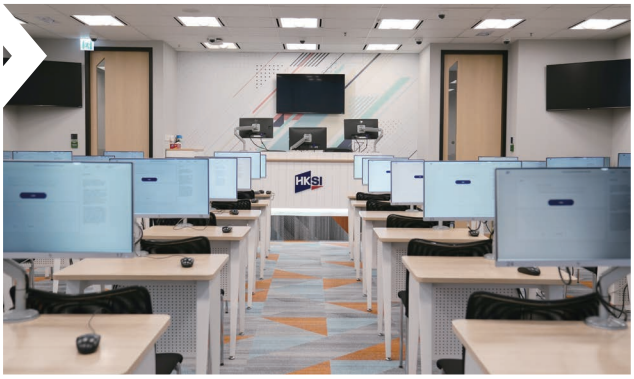
SECRETARIAT



OFFICE AND WAREHOUSE RELOCATION

After 20 successful years at Wing On Centre in Sheung Wan, we embarked on a significant milestone by relocating our office to Taikoo Place in Quarry Bay on 3 May 2022. This strategic move was aimed at enhancing our operational efficiency, as well as proximity to key business areas, enabling us to better serve our members and stakeholders.

The new office design perfectly embodies our dedication to cultivating a dynamic work and learning environment. The choice of vibrant colours not only adds a touch of liveliness but also aligns with our mission to reinforce, raise, and promote professional standards of excellence in our field.



A number of additions were made to our office facilities, including:

- a versatile Member Corner to greet and serve members in a casual and relaxing manner, while it can also be transformed into a private discussion area;
- a new studio equipped with audio-visual equipment, backdrop and green screen is established to deliver high quality and professional webinars;
- an air-purification system is installed in the Computer-based Examination Centre (CBE Centre) and functional rooms to ensure a safe environment, especially during COVID-19 pandemic in recent years; and
- a beverage vending machine is placed at the pantry for staff enjoyment, subsidised by the Institute on a monthly basis.

In line with our move to optimise costs, our warehouse was relocated from Worldwide Centre in Tai Kok Tsui to Eight Commercial Tower in Chai Wan in April 2022, bringing our warehouse closer to our new office and allowing for improved coordination and streamlined logistics.

STAFF ENGAGEMENT AND WELL-BEING

Employees are invaluable resources that are crucial to the growth and success of our Institute, and their engagement and well-being are our highest priority. We organised a series of activities and implemented policies in line with the new working norms during the financial year.

Small-scale activities such as cooking classes and mosaic workshop were organised to foster camaraderie among fellow colleagues.







With relaxed measures implemented by the Hong Kong government, our Staff Annual Dinner was successfully held in March 2023. The event provided an opportunity for our board members and staff to gather and celebrate the Institute's 25th anniversary, marking the first such gathering in three years since the COVID-19 pandemic. Long Service Awards were also presented to staff who have served the Institute for 10 years or more, in recognition of their contributions and achievements.

Mr Colin Shaftesley (far right) and Miss Ruth Kung (far left) with the recipients of the Long Service Award:



Staff with more than 20 years of service



Staff with more than 15 years of service



Staff with more than 10 years of service

SECRETARIAT

In addition to providing staff with suitable hardware, furniture, and equipment, we have taken measures to prevent unnecessary injury in office. This also includes organising a fitness exercise workshop with the support of Occupational Safety and Health Council to promote a healthy and safe workplace.

With a growing demand for work-life-balance, several new policies and practices were introduced to benefit employees as well as attract potential talents during the year under review. In July 2022, we initiated a pilot run of the hybrid work arrangement, which was later officially implemented in January 2023. This arrangement permits eligible staff to work from home one day per week. Additionally, in October 2022, we launched the work-from-home arrangement for new parents, to provide increased flexibility to new moms and dads in managing their work responsibilities alongside caring for their newborns.

STAFF LEARNING AND DEVELOPMENT

Staff are highly encouraged to attend trainings and conferences to further develop their expertise and enhance skill sets that are relevant to their job, roles, and responsibilities. They are given free access to professional courses offered by the Institute to enrich their industry knowledge and participate in external seminars and workshops, covered by the Institute, enabling them to achieve their full potential.

REPORTS AND FINANCIAL STATEMENTS

Directors' Report	48
Auditor's Report	49
Consolidated Statement of Profit or Loss and Other Comprehensive Income	52
Consolidated Statement of Financial Position	54
Consolidated Statement of Changes in General Fund	56
Consolidated Cash Flow Statement	57
Notes to the Financial Statements	58

DIRECTORS' REPORT

The directors submit herewith their annual report together with the consolidated audited financial statements for the year ended 31 March 2023.

Principal place of business

Hong Kong Securities and Investment Institute (the "Institute") is an institute incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 17/F, Cambridge House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

Principal activities and business review

The Institute and its subsidiaries (the "Group") offer those who are interested in pursuing a career within the financial services industry a comprehensive programme of high quality professional training, events and internationally recognised examinations which aim to assist individuals achieve their own professional goals within the industry.

Further discussion and analysis of the principal activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Business Review section set out in the Annual Report. This discussion forms part of this directors' report.

Directors

The directors during the financial year and up to the date of this report were:

Mr Colin Stuart Shaftesley *(Chairman)*
Mr Graham Michael Cottingham
Miss Angelina Agnes Kwan
Ms Phyllis Yim Lan Lee
Mr Kevin Chi Kit Liem
Mr Eric Tin Yau Ho
Mr Vincent Chun Hung Chan
Mr Dinshaw Jeremy Lam
Mr Chi Wang Lui
Mr Piu Tong
Mr Zhongze Wang
Mr Dickson Chan Chi Chuen
(Appointed on 15 December 2022)
Mr Foster Yim Hong Cheuk
(Appointed on 15 December 2022)
Mr Lo Ken Bon (Appointed on 15 December 2022)
Mr Gordon Tsui Luen On
(Appointed on 15 December 2022)
Mr David Shing Yim Chau
(Resigned on 15 December 2022)
Mr Christopher Fai Man Lee
(Resigned on 15 December 2022)
Ms Katherine Kit Shuen Ng
(Resigned on 15 December 2022)
Mr Samuel Chiu Mo Tsang
(Resigned on 15 December 2022)

In addition, the directors of the Institute's subsidiaries during the period from the beginning of the financial year to the date of this report are as follows:

Mr Colin Stuart Shaftesley
Miss Ruth Hing See Kung
Ms Yuan Yuan He

Directors' interests in transactions, arrangements or contracts

No contract of significance to which the Institute, or any of its subsidiaries or fellow subsidiaries was a party, and in which a director of the Institute had a material interest, subsisted at the end of the year or at any time during the year.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as honorary auditors of the Institute is to be proposed at the forthcoming annual general meeting.

By order of the board
Colin Stuart Shaftesley
Hong Kong, 29 September 2023

Independent auditor's report to the members of Hong Kong Securities and Investment Institute
(Incorporated in Hong Kong as a company limited by guarantee)

OPINION

We have audited the consolidated financial statements of Hong Kong Securities and Investment Institute ("the Institute") and its subsidiaries ("the Group") set out on pages 52 to 78, which comprise the consolidated statement of financial position as at 31 March 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in general fund and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023 and of its consolidated financial performance and its consolidated 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") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

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 Group 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 CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

– Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

– Conclude on the appropriateness of the directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
29 September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2023 (Expressed in Hong Kong dollars)

	Note	2023	2022
Revenue	4(a)		
Professional examination and development income		**$ 53,516,425**	$ 53,246,198
Annual fees from members		**3,024,897**	3,458,706
Entrance fees from members		**45,000**	45,300
Member event income		**546,650**	352,150
Sales of study materials		**328,400**	383,000
		$ 57,461,372	$ 57,485,354
Other income			
Interest income		**$ 345,086**	$ 79,271
Other income	4(b)	**3,976,478**	1,640,868
		$ 4,321,564	$ 1,720,139
Expenditure			
Staff costs	5	**$ 38,846,458**	$ 37,562,463
Professional examination and development expenses		**5,159,602**	5,608,543
Member event expenses		**844,634**	576,871
Cost of study materials sold		**6,990**	31,907
Depreciation	9	**6,325,015**	7,514,154
Repair and maintenance		**3,758,490**	3,891,188
Other premises expenses		**1,651,324**	1,583,522
Bank charges		**1,321,268**	1,337,810
Interest expenses of lease liabilities		**1,306,637**	317,228
Marketing		**1,081,410**	702,835
Printing and stationery		**500,727**	679,684
Miscellaneous expenses		**498,750**	310,038
Operating lease charges on premises		**236,198**	96,657
Communications		**199,578**	220,895
Loss on disposal of property, plant and equipment	9	**190,915**	–
Legal and professional fees		**167,013**	153,077
Travelling and entertainment		**73,597**	96,965
		$ 62,168,606	$ 60,683,837

	Note	2023	2022
Deficit before taxation		**$ (385,673)**	$ (1,478,344)
Taxation	8	**(21,015)**	(199,506)
Deficit for the year	17(a)	**$ (406,688)**	$ (1,677,850)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiary		**(380,634)**	134,669
Deficit and other comprehensive income for the year		**$ (787,322)**	$ (1,543,181)

The notes on pages 58 to 78 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2023 (Expressed in Hong Kong dollars)

	Note	2023	2022
Non-current assets			
Property, plant and equipment	9	**$ 37,359,432**	$ 35,971,166
Deposits	11	**1,405,169**	1,405,169
		$ 38,764,601	$ 37,376,335
Current assets			
Deposits, prepayments and other receivables	11	**$ 4,723,790**	$ 10,578,445
Time deposits with bank	12	**13,450,582**	16,195,450
Cash and bank balances	12	**12,969,838**	17,960,829
		$ 31,144,210	$ 44,734,724
Current liabilities			
Accruals and other payables	13(a)	**$ 2,720,092**	$ 3,965,217
Deferred income	13(b)	**5,344,234**	8,576,774
Provisions	14	**–**	650,000
Amount due to the Government of the Hong Kong Special Administrative Region	15	**1,721,241**	4,559,568
Lease liabilities	16	**2,963,596**	3,152,368
		$ 12,749,163	$ 20,903,927
Net current assets		**$ 18,395,047**	$ 23,830,797
Total assets less current liabilities		**$ 57,159,648**	$ 61,207,132

	Note	2023	2022
Non-current liabilities			
Deferred income	13(b)	**$ 328,695**	$ 625,260
Provisions	14	**1,993,000**	1,993,000
Lease liabilities	16	**27,537,393**	30,500,990
		$ 29,859,088	$ 33,119,250
Net assets		**$ 27,300,560**	$ 28,087,882
Representing:			
General fund	17(a)	**$ 27,489,946**	$ 27,896,634
Exchange reserve	17(b)	**(189,386)**	191,248
		$ 27,300,560	$ 28,087,882

Approved and authorised for issue by the board of directors on 29 September 2023.

Mr Colin Stuart Shaftesley
Mr Piu Tong
) Directors

The notes on pages 58 to 78 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN GENERAL FUND

for the year ended 31 March 2023 (Expressed in Hong Kong dollars)

	General fund	Exchange reserve	Total equity
Balance at 1 April 2021	$ 29,574,484	$ 56,579	$ 29,631,063
Deficit for the year	(1,677,850)	–	(1,677,850)
Other comprehensive income for the year	–	134,669	134,669
Balance at 31 March and 1 April 2022	$ 27,896,634	$ 191,248	$ 28,087,882
Deficit for the year	(406,688)	–	(406,688)
Other comprehensive income for the year	–	(380,634)	(380,634)
Balance at 31 March 2023	$ 27,489,946	$ (189,386)	$ 27,300,560

The notes on pages 58 to 78 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2023 (Expressed in Hong Kong dollars)

	Note	2023	2022
Deficit before taxation		**$ (385,673)**	$ (1,478,344)
Adjustments for:			
Interest income		**(345,086)**	(79,271)
Interest expenses		**1,306,637**	317,228
Depreciation	9	**6,325,015**	7,514,154
Loss on disposal of property, plant and equipment	9	**190,915**	–
Operating cash flow before changes in working capital		**$ 7,091,808**	$ 6,273,767
Decrease/(increase) in deposits, prepayments and other receivables		**5,854,655**	(5,525,761)
(Decrease)/increase in accruals and other payables		**(1,242,472)**	749,010
(Decrease)/increase in deferred income		**(3,529,105)**	2,888,718
Decrease/(increase) in restricted cash balances		**3,081,765**	(384,231)
(Decrease)/increase in provisions		**(650,000)**	1,993,000
(Decrease)/increase in amount due to the government of the Hong Kong Special Administrative Region		**(2,838,327)**	502,407
Tax paid		**(23,668)**	(196,853)
Net cash generated from operating activities		**$ 7,744,656**	$ 6,496,910
Investing activities			
Interest received		**$ 345,086**	$ 79,271
Payment for purchase of property, plant and equipment		**(7,905,323)**	(24,728)
Net proceed from/(payment for) time deposits with bank		**2,744,868**	(60,507)
Net cash used in investing activities		**$ (4,815,369)**	$ (5,964)
Financing activities			
Interest element of lease rentals paid	12	**$ (1,306,637)**	$ (317,228)
Capital element of lease rentals paid	12	**(3,152,369)**	(8,330,728)
Net cash used in financing activities		**$ (4,459,006)**	$ (8,647,956)
Net decrease in cash and cash equivalents		**$ (1,529,719)**	$ (2,353,863)
Cash and cash equivalents at 1 April		**13,125,950**	15,345,364
Effect of foreign exchange rate changes		**(379,507)**	134,449
Cash and cash equivalents at 31 March	12	**$ 11,216,724**	$ 13,125,950

The notes on pages 58 to 78 form part of these financial statements.

1 STATUS AND PRINCIPAL ACTIVITIES OF THE INSTITUTE

Hong Kong Securities and Investment Institute (the "Institute") was incorporated on 28 November 1997 under the Hong Kong Companies Ordinance as a company limited by guarantee.

Every member of the Institute has undertaken to contribute such an amount as may be required (not exceeding HK$100) to the Institute's assets if it should be wound up while he is a member or within one year after he ceases to be a member.

The Institute and its subsidiaries (together referred to as the "Group") offer those who are interested in pursuing a career within the financial services industry a comprehensive programme of high quality professional training, events and internationally recognised examinations which aim to assist individuals achieve their own professional goals within the industry.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Institute. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis. These financial statements presented in Hong Kong dollars ("HK$"), unless otherwise stated.

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns by its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

Investments in subsidiaries are consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Institute's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(j)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment (see note 2(g)), are stated at cost less accumulated depreciation and impairment losses.

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

–	Leasehold improvements	Over the term of lease
–	Computer equipment	3 years
–	Office equipment, furniture and fixtures	5 years
–	Right-of-use assets	Over the term of lease

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

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the consolidated statement of profit or loss and other comprehensive income on the date of retirement or disposal.

Grants that compensate the group for the cost of property, plant and equipment are deducted from the carrying amount of property, plant and equipment (see note 2(p)).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. Revenue is recognised in profit or loss when the control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those comments collected on behalf of third parties. Further details of revenue and other income recognition are set as below:

– Subscriptions from members represent entrance fees from new members and annual fees from existing members. Entrance fees from new members are recognised as income when the applicant has been approved as a member of the Institute by the Membership Committee and the fees have been received. Annual fees from existing members are recognised as income by the Institute over the period to which they relate. The unrecognised portion of annual fees is recorded as deferred income in the statement of financial position.

– Income from member events, professional development seminars, courses and examinations is recognised when the related event, seminar, course or examination has been held.

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

– Sales of study materials is recognised when study materials are sold to customers which is taken to be the point in time when the customer has accepted the study materials and the related risk and rewards of ownership.

– Other income is recognised on an accrual basis.

(f) Translation of foreign currency transactions

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Leased assets

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

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

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

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

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

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

In the consolidated statement of financial position, the Group presents right-of-use assets within the same line item as similar underlying assets and presents lease liabilities separately.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial assets at amortised cost

Deposits, prepayments and other receivables, cash and bank balances and time deposits are stated at amortised cost using the effective interest method, less allowance for impairment losses, if any, except where the effect of discounting would be immaterial. In such cases, the financial assets at amortised cost are stated at cost less allowance for impairment losses.

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

ECL is remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of the financial assets through a loss allowance account.

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

(i) Intangible assets (other than goodwill)

The Group recognised the development and enhancement of the Advanced Learning Platform ("ALP") Project which is fully funded by a grant from the SFC as intangible assets. Grants that compensate the group for the cost of intangible assets are deducted from the carrying amount of intangible assets (see note 2(p)).

(j) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognized no longer exists and may have decreased:

– intangible assets; and

– investment in a subsidiary.

If any such indication exists, the asset's recoverable amount is estimated. In addition, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of non-financial assets (continued)

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the 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 generate cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognized in profit or loss if the carrying amount of an asset, or the cash generating unit to which it belongs, exceed its recoverable amount.

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credit to profit or loss in the year in which the reversals are recognized.

(k) Trade and other payables

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

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are assessed for ECLs in accordance with the accounting policies in note 2(h).

(m) Employee benefits

(i) Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost to the Institute of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Fund Schemes Ordinance, are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Provisions and contingent liabilities

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

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

(o) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Government grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Government grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for the New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting Mechanism, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting Mechanism

In June 2022, the Government of the Hong Kong SAR (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will eventually abolish the statutory right of an employer to reduce its long service payment ("LSP") and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the mandatory provident fund ("MPF") scheme (also known as the "offsetting mechanism"). The Government has subsequently announced that the Amendment Ordinance will come into effect from 1 May 2025 (the "Transition Date"). Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

3 CHANGES IN ACCOUNTING POLICIES (continued)

New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting Mechanism (continued)

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from its mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP. However, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 and recognise such deemed contributions as reduction of current service cost in the period the related service is rendered, and any impact from ceasing to apply the practical expedient is recognised as a catch-up adjustment in profit or loss with a corresponding adjustment to the LSP liability during the year ended 31 March 2023.

In this financial report and in prior periods, the Group has been accounting for the accrued benefits derived from its mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed employee contributions towards the LSP and applying the above-mentioned practical expedient, which is no longer permissible under the HKICPA guidance.

The Group is in the process of making an assessment of what the impact of this new guidance. The management has commenced the processes including additional data collection and impact assessment. However, the impact is not reasonably estimable at the time this financial report is authorised for issue, as the Group has yet to fully complete its assessment. The Group expects to adopt this guidance with retrospective application in its annual financial statements for the year ending 31 March 2024.

4 REVENUE AND OTHER INCOME

(a) Disaggregation of revenue

Revenue from contracts with customers within the scope of HKFRS 15 is analysed as follows:

	2023	2022
Disaggregated by the timing of revenue recognition		
Revenue recognised at a point in time	**$ 54,436,475**	$ 54,026,648
Revenue recognised over time	**3,024,897**	3,458,706
	$ 57,461,372	$ 57,485,354

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts with customers and did not disclose information about the remaining performance obligations under the contracts that had an original expected duration of one year or less.

4 REVENUE AND OTHER INCOME (continued)

(b) Other income

	2023	2022
Government grants (Note)	**$ 1,525,200**	$ –
Donation received	**950,000**	–
Service fee received from Pilot Programme (note 15)	**800,000**	1,160,000
Others	**701,278**	480,868
	$ 3,976,478	$ 1,640,868

Note: In 2022/23, the Group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong SAR Government. The purpose of the funding is to provide financial support to employers to retain their current employees. Under the terms of the grant, the Group is required to employ a sufficient number of employees with reference to its proposed employee headcounts.

5 STAFF COSTS

	2023	2022
Salaries, wages and other benefits	**$ 37,863,766**	$ 36,532,930
Contributions to provident fund	**982,692**	1,029,533
	$ 38,846,458	$ 37,562,463

6 AUDITORS' REMUNERATION

The position of the auditors of the Institute is honorary and therefore no auditors' remuneration was paid during the year (2022: HK$Nil).

7 DIRECTORS' EMOLUMENTS

None of the directors received or will receive any fees or emoluments that should be disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation during the year (2022: HK$Nil).

8 TAXATION

The Institute is a professional association and not more than half of the receipts by way of subscriptions are from persons who would be entitled to claim their subscriptions as allowable deductions for the purpose of Hong Kong Profits Tax. The Institute is therefore not subject to Hong Kong Profits Tax under section 24(2) of the Hong Kong Inland Revenue Ordinance. Accordingly, no provision for Hong Kong Profits Tax has been made in the financial statements.

During the year, corporate income tax expense of HK$21,015 (2022: HK$199,506) was recognised from a subsidiary of the Group in the People's Republic of China.

9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture, fixtures and office equipment	Computer equipment	Right-of-use assets	Total
Cost:					
At 1 April 2022	**$ 5,527,856**	**$ 4,089,245**	**$ 8,375,842**	**$ 53,521,066**	**$ 71,514,009**
Additions	**5,444,316**	**1,609,476**	**851,531**	**–**	**7,905,323**
Disposals	**(5,527,856)**	**(3,354,389)**	**(6,589,266)**	**(18,754,139)**	**(34,225,650)**
Exchange adjustments		**(2,274)**	**(7,824)**	**–**	**(10,098)**
At 31 March 2023	**$ 5,444,316**	**$ 2,342,058**	**$ 2,630,283**	**$ 34,766,927**	**$ 45,183,584**
Accumulated depreciation:					
At 1 April 2022	**$ 5,499,498**	**$ 3,616,914**	**$ 7,974,789**	**$ 18,451,642**	**$ 35,542,843**
Charge for the year	**576,335**	**366,882**	**496,947**	**4,884,851**	**6,325,015**
Written back on disposals	**(5,511,419)**	**(3,185,305)**	**(6,583,872)**	**(18,754,139)**	**(34,034,735)**
Exchange adjustments	**–**	**(2,230)**	**(6,741)**	**–**	**(8,971)**
At 31 March 2023	**$ 564,414**	**$ 796,261**	**$ 1,881,123**	**$ 4,582,354**	**$ 7,824,152**
Cost:					
At 1 April 2021	$ 5,527,856	$ 4,084,194	$ 8,351,373	$ 18,754,139	$ 36,717,562
Additions	–	3,840	20,888	34,766,927	34,791,655
Disposals	–	–	–	–	–
Exchange adjustments	–	1,211	3,581	–	4,792
At 31 March 2022	$ 5,527,856	$ 4,089,245	$ 8,375,842	$ 53,521,066	$ 71,514,009
Accumulated depreciation:					
At 1 April 2021	$ 5,356,446	$ 3,447,547	$ 7,421,694	$ 11,798,430	$ 28,024,117
Charge for the year	143,052	168,200	549,690	6,653,212	7,514,154
Exchange adjustments	–	1,167	3,405	–	4,572
At 31 March 2022	$ 5,499,498	$ 3,616,914	$ 7,974,789	$ 18,451,642	$ 35,542,843
Net book value:					
At 31 March 2023	$ 4,879,902	$ 1,545,797	$ 749,160	$ 30,184,573	$ 37,359,432
At 31 March 2022	$ 28,358	$ 472,331	$ 401,053	$ 35,069,424	$ 35,971,166

The Advanced Learning Platform ("ALP") enables the Group to provide a one-stop service and personalised on-line portal to its members and financial services industry practitioners. It also enables the Group to offer learning management services and develop technology-based learning solutions in addition to the classroom-based trainings that are currently provided. The directly attributable costs of the infrastructure enhancement to launch the ALP Project of HK$2,310,210 (2022: HK$2,310,210) are capitalised as property, plant and equipment. The costs have been fully funded by a grant from the SFC which is subject to a repayment clause (see note 21).

10 INTANGIBLE ASSETS

The costs of development and enhancement of the ALP Project of HK$11,836,756 (2022: HK$11,836,756) are capitalized as intangible assets. The costs have been fully funded by the grant from the SFC which is subject to a repayment clause (see note 21).

11 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

The rental deposit of HK$1,405,169 (2022: HK$1,405,169) is expected to be recovered after one year. All of the other deposits, prepayments and other receivables are unsecured, interest-free and expected to be recovered or expensed in profit or loss within one year. As at 31 March 2023, an amount of HK$915 (2022: HK$4) other receivables was recorded in relation to the Pilot Programme (see note 15).

12 CASH AND BANK BALANCES

	2023	2022
Deposits with banks	**$ 26,387,753**	$ 34,126,635
Cash in hand	**32,667**	29,644
Total cash and bank balances	**$ 26,420,420**	$ 34,156,279
Less: Time deposits with bank	**(13,450,582)**	(16,195,450)
Cash and bank balances	**$ 12,969,838**	$ 17,960,829

As at 31 March 2023, an amount of HK$1,753,114 (2022: HK$4,834,879) cash and bank balances was held by the Group on behalf of the Government of the Hong Kong Special Administrative Region for the restrictive use for the Pilot Programme. Details of the Pilot Programme are set out in note 15.

Analysis of the balances of cash and cash equivalents:

	2023	2022
Cash and bank balances	**$ 12,969,838**	$ 17,960,829
Less: Restricted cash balances	**(1,753,114)**	(4,834,879)
Total cash and cash equivalents	**$ 11,216,724**	$ 13,125,950

12 CASH AND BANK BALANCES (continued)

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

	Lease liabilities	
	2023	2022
At 1 April	**$ 33,653,358**	$ 7,217,159
Changes from financing cash flows:		
Capital element of lease rentals paid	**(3,152,369)**	(8,330,728)
Interest element of lease rentals paid	**(1,306,637)**	(317,228)
Total changes from financing cash flows	**$ (4,459,006)**	$ (8,647,956)
Other changes:		
Increase in lease liabilities from entering into new leases during the period	**$ –**	$ 34,766,927
Interest expenses	**1,306,637**	317,228
	$ 1,306,637	$ 35,084,155
At 31 March	**$ 30,500,989**	$ 33,653,358

13 ACCRUALS AND OTHER PAYABLES AND DEFERRED INCOME

(a) Accruals and other payables

All of the accruals and other payables are unsecured, interest-free and are expected to be settled within one year.

As at 31 March 2023, an amount of HK$32,788 (2022: HK$275,315) accruals and other payables was recorded in relation to the Pilot Programme.

(b) Deferred income

Deferred income consists of the SFC grant for the ALP Project of HK$22,025 (2022: HK$22,025), and receipts of examination fees, professional development seminar and course fees, and annual fees from members of HK$5,322,209 (2022: HK$8,554,749), which are not yet utilised or earned as income as at the end of the reporting period and are expected to be utilised or earned as income within one year.

Deferred annual fees from members of HK$328,695 (2022: HK$625,260) are expected to be recognised as income after one year.

14 PROVISIONS

Provision for re-instatement cost of office premise

	2023	2022
At 1 April	**$ 2,643,000**	$ 650,000
Additional provision made	**–**	1,993,000
Provision utilised	**(650,000)**	–
At 31 March	**$ 1,993,000**	$ 2,643,000

Under the tenancy agreement of the Group's office premises, the Group has a contractual obligation to hand back the premise in its original condition. Therefore, the Group applies the "liability approach" and recognises a provision for these reinstatement cost over the period of the lease, based on the best estimate of the expected reinstatement cost in respect of the modifications made to the office premise. The amount of the provision takes into account the Group's recent reinstatement costs incurred for the existing office premise. The expected timing of utilising the provision is when the Group terminates the tenancy agreement, which is not expected to happen until the tenancy agreement expires.

15 AMOUNT DUE TO THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION

The Group acted as agent for the Government of the Hong Kong Special Administrative Region (the "Government") to plan and implement the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector (the "Pilot Programme") and follow any directions given by the Government in relation to the provision of the services.

The following table shows the movement of working funds received from the Government.

	2023	2022
At the beginning of the financial year	**$ 4,559,568**	$ 4,057,161
Add: Working funds received from the Government	**3,000,000**	8,230,000
Add: Interest received from bank account	**5,017**	29
Less: Utilised to compensate expenses incurred by the Group on behalf of the Government	**(5,843,344)**	(7,727,622)
	$ 1,721,241	$ 4,559,568

16 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	31 March 2023		31 March 2022	
	Present value of the lease payments	Total lease payments	**Present value of the lease payments**	Total lease payments
Within 1 year	**$ 2,963,596**	$ 4,151,640	**$ 3,152,368**	$ 4,459,005
After 1 year but within 2 years	**$ 3,152,822**	$ 4,219,300	**$ 2,963,596**	$ 4,151,640
After 2 years but within 5 years	**11,376,207**	13,710,860	**18,948,153**	22,802,400
After 5 years	**13,008,364**	13,804,680	**8,589,241**	8,932,440
	$ 27,537,393	$ 31,734,840	**$ 30,500,990**	$ 35,886,480
	$ 30,500,989		**$ 33,653,358**	
Less: total future interest expenses		$ 5,385,464		$ 6,692,127
Present value of lease liabilities		$ 30,500,989		$ 33,653,358

17 GENERAL FUND AND EXCHANGE RESERVE

(a) General fund

	The Group		The Institute	
	2023	2022	**2023**	2022
General fund as at 1 April	**$ 27,896,634**	$ 29,574,484	**$ 23,058,537**	$ 27,612,345
Deficit for the year transferred from the consolidated statement of profit or loss and comprehensive income	**(406,688)**	(1,677,850)	**(817,147)**	(4,553,808)
General fund at 31 March	**$ 27,489,946**	$ 27,896,634	**$ 22,241,390**	$ 23,058,537

The SFC provided funding of HK$2 million, HK$3 million and HK$10 million to the Institute in the years ended 31 March 2000, 31 March 1999 and 31 March 1998 respectively. As at 31 March 2023, the total funding from the SFC amounted to HK$15 million (2022: HK$15 million). This funding is non-refundable, non-interest bearing, and repayable only in the event that the Institute is wound up.

Deficits are transferred to or from the statement of profit or loss and other comprehensive income in accordance with the memorandum and articles of association and shall be applied solely towards the promotion of the objects of the Institute as set forth in the memorandum and articles of association.

17 GENERAL FUND AND EXCHANGE RESERVE (continued)

(b) Exchange reserve

	2023	2022
Exchange reserve as at 1 April	**$ 191,248**	$ 56,579
Exchange difference on translation of financial statements of overseas subsidiary	**(380,634)**	134,669
Exchange reserve as at 31 March	**$ (189,386)**	$ 191,248

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(f).

18 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation	Percentage of ownership interest			Principal activity
		Group's effective interest	Held by the Company	Held by a subsidiary	
Hong Kong Securities Institute (China) Limited	Hong Kong	100%	100%	–	Investment holding
深圳匯柏信息咨詢有限公司	People's Republic of China	100%	–	100%	Provision of consultancy services

19 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's and the Institute's business. The Group's and the Institute's exposure to these risks and the financial risk management policies and practices used by the Group and the Institute to manage these risks are described below.

(a) Credit risk

The Group and the Institute do not hold any significant financial assets other than cash and cash equivalents and time deposits with banks. Cash and cash equivalents and time deposits held by the Group and the Institute are deposited with reputable financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

19 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions and/or from the subsidiaries to meet its liquidity requirements in the short and longer term.

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

	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 March
2023						
Accruals and other payables	**$ 2,720,092**	**$ –**	**$ –**	**$ –**	**$ 2,720,092**	**$ 2,720,092**
Amount due to HKSAR Government	**1,721,241**	**–**	**–**	**–**	**1,721,241**	**1,721,241**
Lease liabilities	**4,151,640**	**4,219,300**	**13,710,860**	**13,804,680**	**35,886,480**	**30,500,989**
	$ 8,592,973	**$ 4,219,300**	**$ 13,710,860**	**$ 13,804,680**	**$ 40,327,813**	**$ 34,942,322**
2022						
Accruals and other payables	$ 3,965,217	$ –	$ –	$ –	$ 3,965,217	$ 3,965,217
Amount due to HKSAR Government	4,559,568	–	–	–	4,559,568	4,559,568
Lease liabilities	4,459,005	4,151,640	22,802,400	8,932,440	40,345,485	33,653,358
	$ 12,983,790	$ 4,151,640	$ 22,802,400	$ 8,932,440	$ 48,870,270	$ 42,178,143

The expected contractual cash flows, on an undiscounted basis, on those financial liabilities are similar to their respective carrying value at the reporting date.

(c) Interest rate risk

The Group's and the Institute's interest-bearing assets mainly comprise cash at bank, which matures, or reprices in the short term and time deposits with banks. As a result, the Group and the Institute are subject to limited exposure to fluctuations in the prevailing level of market interest rates.

At 31 March 2023, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would increase the Group and the Institute's surplus and general fund by approximately HK$264,204 and HK$212,245 respectively (2022: HK$341,563 and HK$294,592) so far as the effect on interest-bearing financial assets is concerned.

19 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk

The Group and the Institute are exposed to currency risks primarily arising from transactions that are denominated in Renminbi ("RMB"). In respect of transactions denominated in RMB, the Group monitors its exposure on a regular basis.

(i) Exposure to currency risk

The following table details the Group's exposure at the reporting date to currency risk arising from recognised assets or liabilities denominated in a currency other than the Institute's functional currency.

	2023	2022
Hong Kong dollar equivalent:		
Cash and cash equivalents in Renminbi	**$ 5,185,320**	$ 4,685,865
Net exposure in Renminbi	**$ 5,185,320**	$ 4,685,865

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's surplus for the year and general fund in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the reporting date. Other components of equity would not be affected by changes in the foreign exchange rates.

	2023		2022	
	Appreciation/ (depreciation) in foreign currency	Effect on surplus for the year and general fund	**Appreciation/ (depreciation) in foreign currency**	Effect on surplus for the year and general fund
Renminbi	**10%**	$ 518,532	**10%**	$ 468,587

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to the Institute's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next reporting period. The analysis is performed on the same basis for 2022.

(e) Fair value

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2023 and 2022.

20 COMMITMENTS

(a) Capital commitments outstanding at 31 March 2023 not provided for in the financial statements were as follows:

	2023	2022
Contracted for	**$ 320,436**	$ 3,495,279
	$ 320,436	$ 3,495,279

(b) Total future minimum lease payments under non-cancellable operating leases were payable as follows:

	2023	2022
Within 1 year	**$ 87,812**	$ 40,929
	$ 87,812	$ 40,929

21 CONTINGENT LIABILITY

A part of the grants received by the Institute from the SFC is subject to a repayment clause. The Institute is required to repay HK$5 million or the total grant received, whichever is lower, to the SFC in any given year upon the Institute's attainment of a reserve (i.e. the General Fund of the Institute) amounting to the higher of (a) HK$50 million or (b) two years of operating expenses, as reflected in the Institute's annual accounts. Based on a 5 year forecast regarding the financial performance of the Institute, the management do not believe it probable that the Institute will attain the level of reserve that will trigger the repayment clause in the foreseeable future. No provision has therefore been made in respect of the repayment.

22 MATERIAL RELATED PARTY TRANSACTIONS

Apart from the balances disclosed elsewhere in these financial statements, the Institute received annual membership fees of HK$4,980 (2022: HK$19,700) from the directors of the Institute during the year.

23 INSTITUTE-LEVEL STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2023

	2023	2022
Non-current assets		
Property, plant and equipment	**$ 37,352,970**	$ 35,955,758
Deposits	**1,405,169**	1,405,169
Investment in a subsidiary	**100**	100
	$ 38,758,239	$ 37,361,027
Current assets		
Deposits, prepayments and other receivables	**$ 4,629,477**	$ 10,134,012
Amount due from a subsidiary	**138,515**	127,487
Time deposits with bank	**13,450,582**	16,195,450
Cash and bank balances	**7,773,886**	13,235,128
	$ 25,992,460	$ 39,720,687
Current liabilities		
Accruals and other payables	**$ 2,621,150**	$ 3,965,217
Deferred income	**5,344,234**	8,576,774
Provisions	**–**	650,000
Amount due to HKSAR Government	**1,721,241**	4,559,568
Lease liabilities	**2,963,596**	3,152,368
	$ 12,650,221	$ 20,903,927
Net current assets	**$ 13,342,239**	$ 18,816,760
Total assets less current liabilities	**$ 52,100,478**	$ 56,177,787
Non-current liabilities		
Deferred income	**$ 328,695**	$ 625,260
Provisions	**1,993,000**	1,993,000
Lease liabilities	**27,537,393**	30,500,990
	$ 29,859,088	$ 33,119,250
Net assets	**$ 22,241,390**	$ 23,058,537
General fund	**$ 22,241,390**	$ 23,058,537

Approved and authorised for issue by the board of directors on 29 September 2023.

Mr Colin Stuart Shaftesley)
Mr Piu Tong) Directors

24 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2023 and which have been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, Presentation of financial statements: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*	1 January 2023
Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: *Definition of accounting estimates*	1 January 2023

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

Hong Kong Securities and Investment Institute

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