

GLOBAL RELEVANCE. LOCAL AMBITION.





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ABOUT CFA SOCIETY HONG KONG

With close to 30 years of serving the investment industry in Hong Kong, our Society stands as the fourth largest CFA Institute member society in the world with over 6,800 members (as of 30 Jun 2020). 2020 marks a new milestone of our Society to rebrand from "The Hong Kong Society of Financial Analysts" to "CFA Society Hong Kong".

The strengthened brand connection with CFA Institute enhances our connection with its global family which in turn further elevates our outreach capabilities with firms, universities and regulators. It translates to more opportunities for our members and CFA® Program candidates. At the same time, our Society is more determined than ever to continue to be the leading and independent voice for local investment professionals and to provide investor protection.

Thanks to the concerted efforts of our Board, volunteers and staffed office, the Society continues to offer our members with ample opportunities in building expertise and providing access to new career resources under the COVID-19 pandemic in 2020. Under the new normal, quality online events of continuing education and topical themes, e.g. Environmental, Social and Governance (ESG) are in place. We are committed to helping our participants stay atop of the industry

by upgrading their skill set and keeping updated with the market regardless of their physical locations.

Besides, we also launched an online resource page, *A USEFUL GUIDE FOR GLOBAL FINANCIAL MARKETS*, at our Society website listing the news of webinars / journals of hot topics around economic conditions and financial markets which are hosted / written by speakers / authors of different expertise.

Our flagship Investor Education initiative – two Investor Education Seminars were in place, exploring the topics of telecommunications and trends of traditional and virtual banks, which aimed at promoting investor protection and enhancing the level of financial literacy among the investing public. In the upcoming year, we will continue to strive for the best in offering quality investment education and upholding ethics for the robust development of local investment industry.

TOP 10 MEMBER SOCIETIES GLOBALLY

(AS OF 30 JUN 2020)



The CFA Societies Global Passport Programme allows CFA Society Hong Kong members to enjoy local society member rate at selected events when they travel around the globe. It gives our members the opportunity to learn more about trends and developments in other markets, and network with local professionals and fellow charterholders.



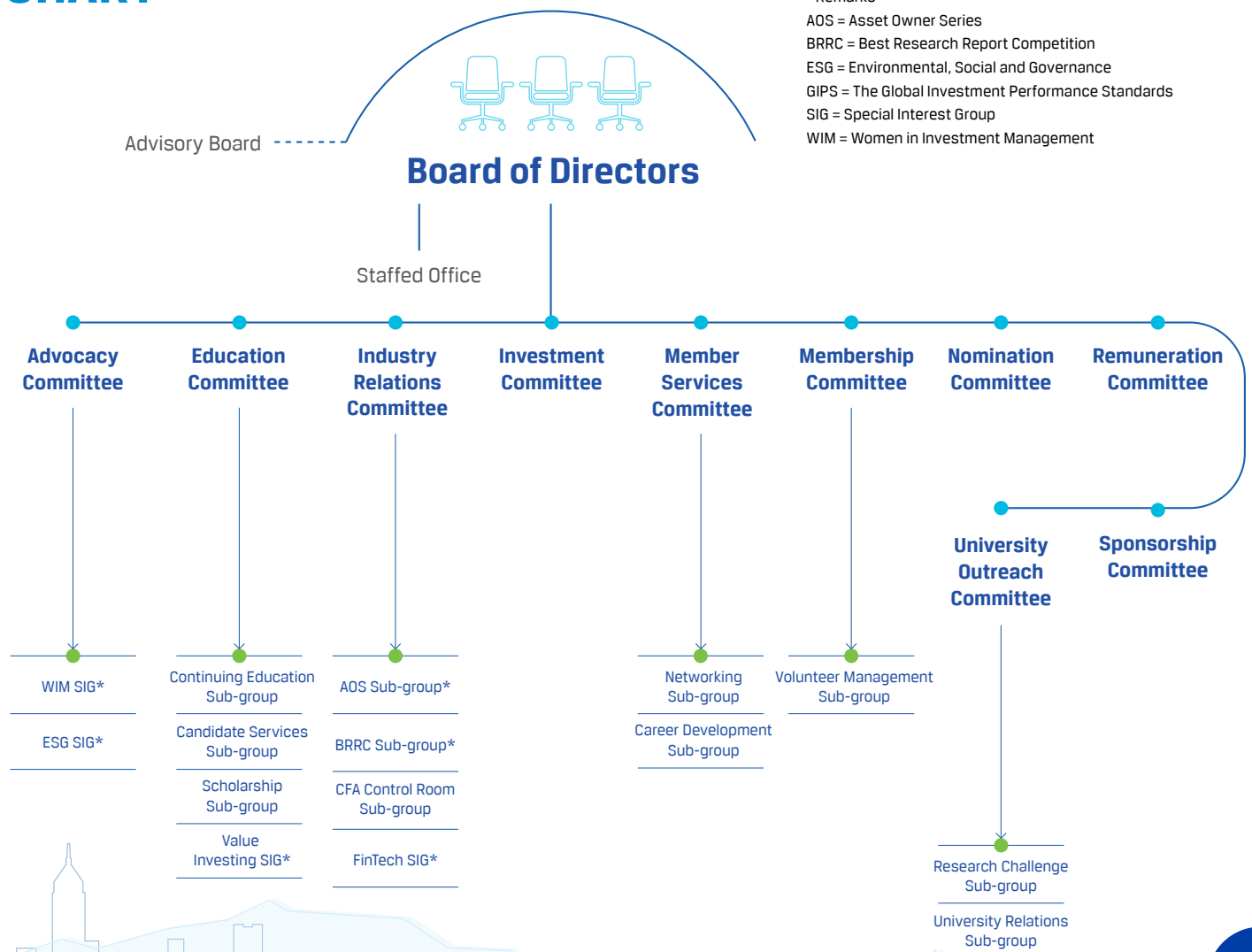
OUR VISION

To be Hong Kong's leading investment professional body.

OUR MISSION

- To raise the standard of practice and uphold ethics in the financial services industry.
- To promote CFA® charter as the pre-eminent investment qualification.
- To provide a forum and be the leading voice for the investment professionals.

ORGANISATION CHART



*Remarks -

AOS = Asset Owner Series

BRRC = Best Research Report Competition

ESG = Environmental, Social and Governance

GIPS = The Global Investment Performance Standards

SIG = Special Interest Group

WIM = Women in Investment Management

REPORT OF PRESIDENT



Richard Mak, CFA
President

Dear Members,

Fiscal year 2020 is a year of change for the Society.

The Society has been rebranded to CFA Society Hong Kong since April 2020 while retaining The Hong Kong Society of Financial Analysts (HKSFA) as the official entity name. The Board has been debating on the rebranding for years, struggling between the synergy from the global branding and the potential forfeiture of the hard-earned reputation of HKSFA since 1992. Thanks to the Society 2.0 initiative that positions the societies as the key interface with local regulators on advocacy work, the concern of role confusion between CFA Institute and the Society has been resolved. After extended consultation with the members through surveys and townhall meetings, the Board of Directors finally moved forward with the rebranding in April.

The other major challenge is the COVID-19 pandemic that has brought significant disruption to the operating model of the Society. Like most other professional organisations, webinars and online meetings become the "new normal". Networking among members has to go virtual. The format and delivery of our key functions including continuing education, member services, candidate services, and some of our signature events like CFA Institute Research Challenge Hong Kong Local Final and Best Research Report Competition have to be conducted online



Like most other professional organisations, webinars and online meetings become the "new normal". Networking among members has to go virtual.

and cancelled respectively. Please be assured that the Board and the staffed office are working hard to cope with these challenges to keep the value propositions relevant and impactful to our members. We look forward to meeting you all again in-person though we understand we have to stay patient and prudent.

Last but not least, I would like to, on behalf of the Board, thank Mr. Tony Watson, CFA, and Mr. Franki Chung, CFA, who have retired from the Board, for their valuable contributions to the Society.

Thank you,

Richard Mak, CFA
President



MANAGEMENT TEAM

Advisory Board Members



Kevin K.C. CHAN, CFA



Water C.W. CHEUNG, CFA



Jimmy W.K. JIM, CFA



George W. LONG, CFA



David LUI



Karl H.K. LUNG, CFA



James A. SOUTAR, CFA



Frederick S.C. TSANG, CFA

Board of Directors



PRESIDENT
Richard K.C. MAK, CFA



VICE PRESIDENT
Vincent NG, CFA



TREASURER
Charles CHUI, CFA



SOCIETY SECRETARY
Alvin M. HO, CFA



Ashley P.W. KHOO, CFA



William H.P. LEUNG, CFA



Claudius TSANG, CFA



Adam T.Y. WONG, CFA



Felicia C.W. WONG, CFA



Function Responsibilities of the Management Team

FUNCTION RESPONSIBILITIES	NAME OF COMMITTEE / SPECIAL INTEREST GROUP CHAIRS		
Advocacy Committee	Claudius TSANG, CFA		
Education Committee	Felicia C.W. WONG, CFA		
- Candidate Services Sub-group	David T.L. CHING, CFA		
- Continuing Education Sub-group	Ashley P.W. KHOO, CFA	Richard K.C. MAK, CFA	Felicia C.W. WONG, CFA
- Investor Education Seminar Sub-group	Felicia C.W. WONG, CFA		
- Scholarships Sub-group	Felicia C.W. WONG, CFA		
ESG Special Interest Group	Claudius TSANG, CFA		
Industry Relations Committee	Alvin M. HO, CFA	Ashley P.W. KHOO, CFA	
- Asset Owner Series Sub-group	Richard K.C. MAK, CFA		
- BRRC Sub-group	N.A.		
- CFA Control Room Sub-group	Alvin M. HO, CFA		
- FinTech Special Interest Group	Vincent NG, CFA		
Investment Committee	Charles CHUI, CFA		
Member Services Committee	Vincent NG, CFA	Felicia C.W. WONG, CFA (Chair-Macau Member)	
- Career Development Sub-group	Vincent NG, CFA	Felicia C.W. WONG, CFA	
- CFA Society Hong Kong Mentorship Programme Sub-group	Adam T.Y. WONG, CFA		
- Networking Events Sub-group	Vincent NG, CFA	Adam T.Y. WONG, CFA	Nicholas JACKSON, CFA
Membership Committee	Richard K.C. MAK, CFA		
- Volunteer Management Sub-group	Richard K.C. MAK, CFA		
Nomination Committee	Ashley P.W. KHOO, CFA		
Remuneration Committee	Richard K.C. MAK, CFA		
Sponsorship Committee	Vincent NG, CFA	Alvin M. HO, CFA	
University Outreach Committee	Alvin M. HO, CFA		
- Research Challenge Sub-group	Alvin M. HO, CFA		
- University Relations Sub-group	Alvin M. HO, CFA		
Value Investing Special Interest Group	Andy C.Y. CHAN, CFA		
Women in Investment Management Special Interest Group	Claudius TSANG, CFA		

Board Meeting Attendance JUL 2019 - JUN 2020

BOARD OF DIRECTORS AND MANAGING DIRECTOR	ATTENDED / CALLED IN*
Tony WATSON (resigned on 15 Feb 2020)	4/7
Calvin K.W. CHEUNG	7/7
Charles CHUI	7/7
Franki K.F. CHUNG (resigned on 22 Jun 2020)	7/7
Alvin M. HO	6/7
Ashley P.W. KHOO	7/7
Kevin T.K. KWAN (retired on 9 Jan 2020)	2/7
Ho Tak LEE (resigned on 22 Jun 2020)	2/7
Yin Toa LEE (retired on 9 Jan 2020)	3/7
Verna Y.T. LIN (retired on 9 Jan 2020)	3/7
Richard K.C. MAK	7/7
Vincent NG	7/7
Claudius TSANG	7/7
Alice Y.L. WONG (retired on 9 Jan 2020)	3/7
Felicia C.W. WONG	6/7

*Remarks - The total number of meetings is 7.



OUR ACHIEVEMENT

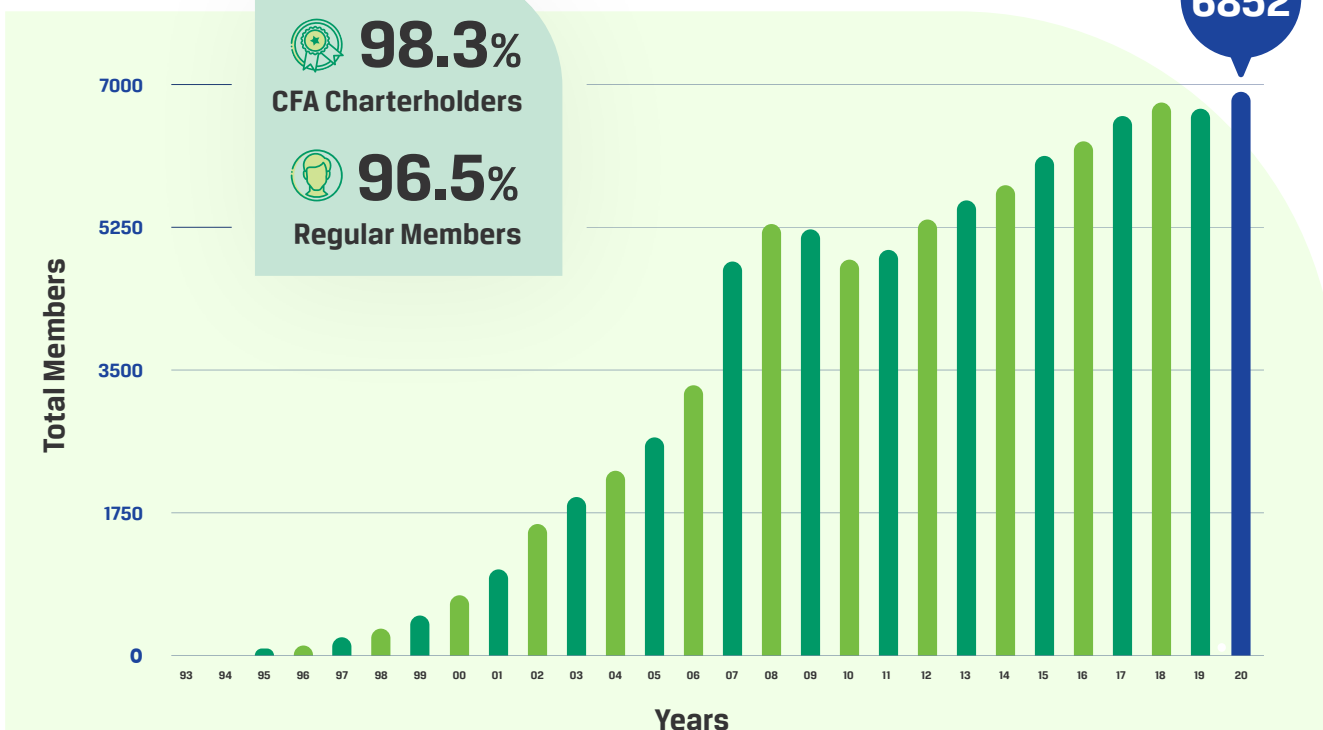
Membership Statistics

MEMBERSHIP COUNT – 30 JUN 2020
(Associate Members and Student Associates included)

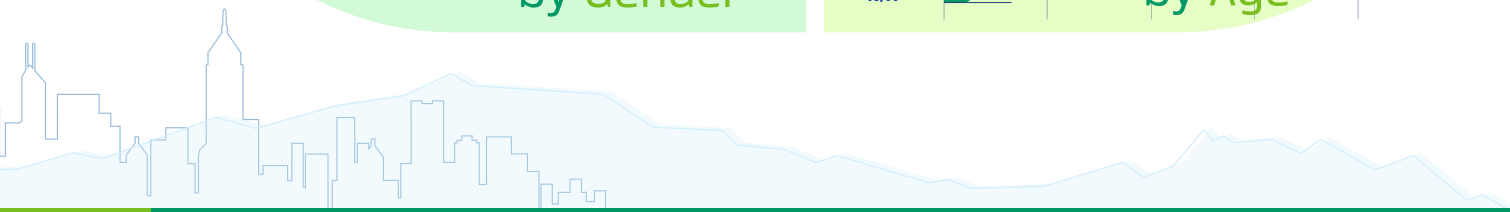
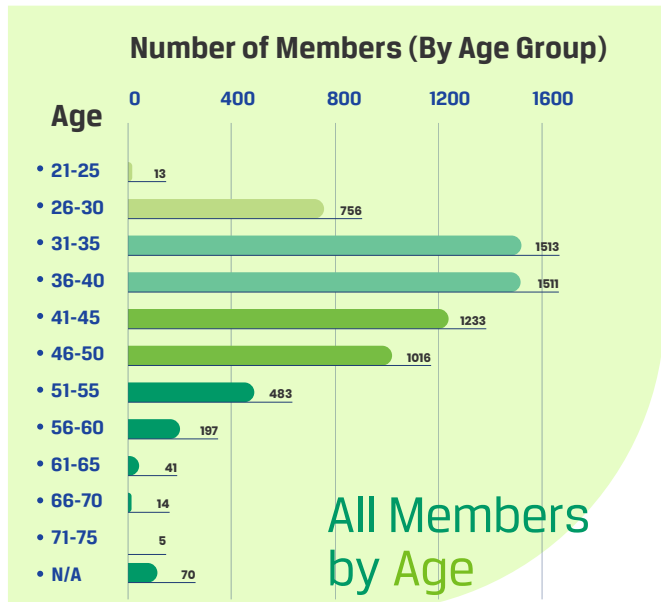
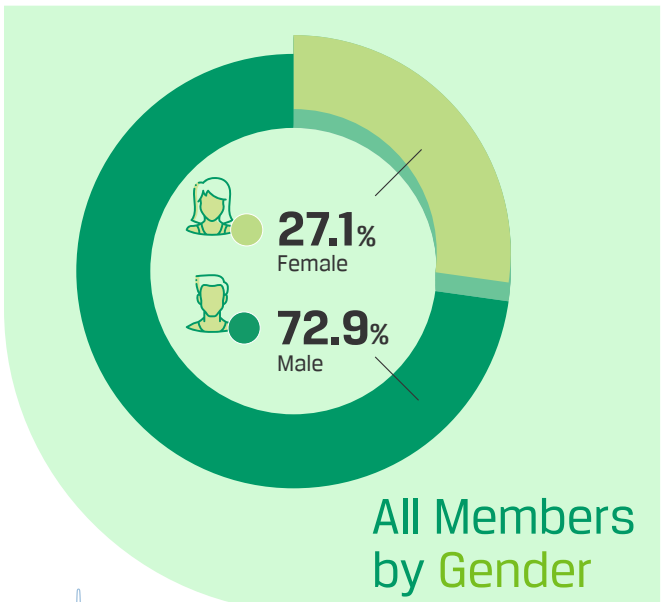
6852

98.3%
CFA Charterholders

96.5%
Regular Members



Remarks - All the figures are of the total number of members based as of the end of June every year.



CFA Offered 51 Events and 29 Hours of CPT Trainings in FY2020



Continuing Education Sub-group

13 Events with **20.5** CPT hours

	No. of Events	No. of CPT
Luncheon	3	3
Seminar	7	9
Workshop	3	20.5

*Remarks - The 51 events also include other events like: Candidate Education events, CFA Institute Research Challenge, Awards Night, Annual Cocktail, and Investor Education Seminars ... etc., which are hosted/co-hosted by CFA Society Hong Kong.

Member Services Committee

8 Events

	No. of Events
Networking Events	6
Town Hall Gatherings	2

Special Interest Groups



ESG

3 Events
3 CPT Hours
327 Attendees



FinTech

4 Events
5.5 CPT Hours
184 Attendees



Value Investing

1 Event
1 CPT Hour
25 Attendees

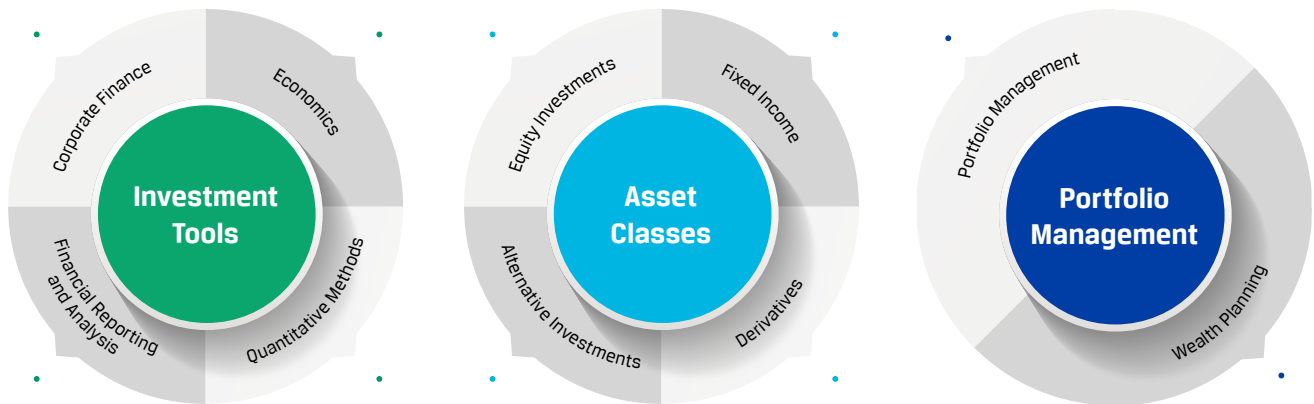
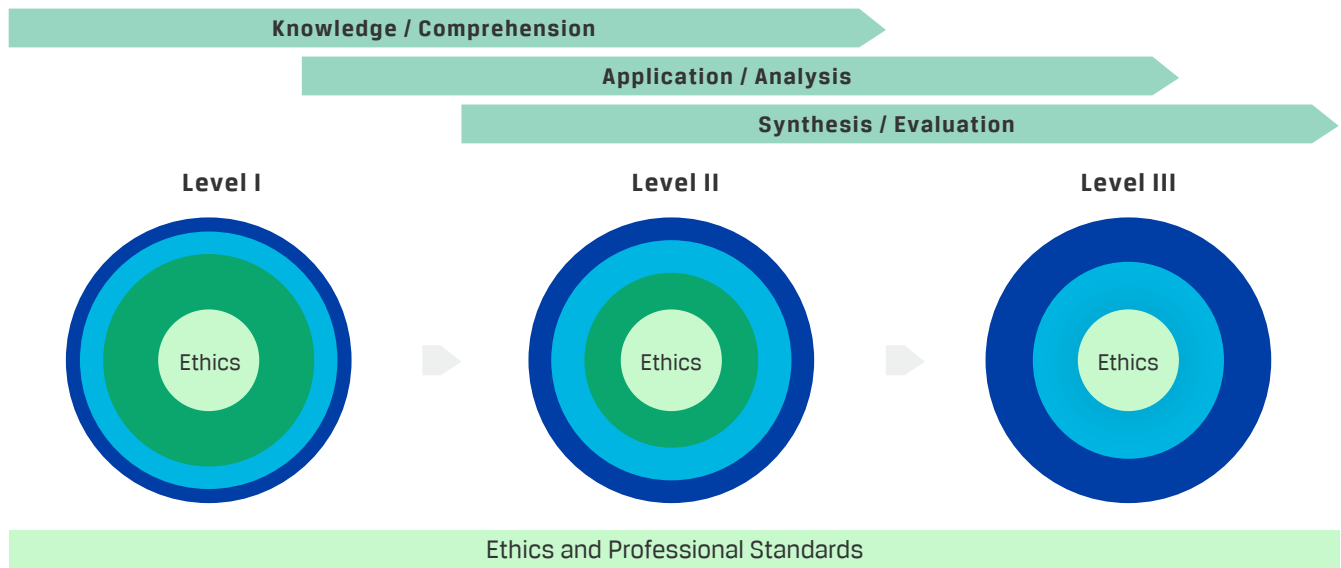


Asset Owner Series

1 Event
1.5 CPT Hours
58 Attendees



Three Levels of CFA Exam



Comprehensive Knowledge

97%

of candidates

agree that the curriculum improved their understanding of important topics.

Current Practices

95%

of candidates

report that the curriculum accurately reflects current industry practices.

Real-World Application

95%

of candidates

say the curriculum focuses on concepts important to their profession.

Relevant Exam

84%

of candidates

feel the exam questions covered subject matter of importance to investment professionals.

Source: CFA Institute, CFA Program Candidate Survey Report, June 2019



HIGHLIGHTS OF EVENTS AND INITIATIVES

Continuing Education Events

Life-long learning is not an option, but a necessity in the competitive world nowadays. To help our members stay atop of the industry, our Society has been organising continuing education events on a variety of topics with high calibre speakers. We would like to share some of the highlights as follows.



Ethical Decision-Making Workshop for Finance Professionals cum Macao Town Hall Gathering & MoU Signing Ceremony

Ethical conduct is the foundation of trust. Without trust, the finance and investment management industry cannot function.

An inaugural event was held in Macao which started with a town hall gathering

for our members in Macao on 17 Sep 2019, as an effort to gather our members' feedback on how the Society could better serve their needs.

Following the town hall, an interactive workshop on ethics was hosted together with MloFS, to analyse human behaviours through two finance case studies containing ethical dilemmas. The workshop was delivered by our former President, Mr. Franki Chung, CFA, and Mr. Richard McGillivray, Director, Institutional Partnership, Asia Pacific, CFA Institute. By discussing the case studies and possible solutions to them, participants answered for themselves some of the key ethical

questions for finance professionals, e.g. What is the difference between law and ethics? Why are ethical principles so important for trust in the financial sector? Effervescent discussion from the floor was recorded.

Last but not least, a Memorandum of Understanding (MoU) has been entered among CFA Institute, MloFS and our Society for the establishment of mutual co-operation for future endeavours.

We would like to extend our gratitude to Monetary Authority of Macao for the venue sponsorship.

Continued in next page

FinTech Outlook, Opportunities & Challenges in the Greater Bay Area (GBA)

Co-hosting with CFA Institute and The Macau Institute of Financial Services (MioFS) as well as having the venue sponsor of Monetary Authority of Macao, our Society hosted a panel with a mix of FinTech operators, investors, and thought leaders to share their business models, experiences, and outlook for the FinTech sector in the GBA on 12 Dec 2019. The event was organised by the Continuing Education Sub-group and the FinTech Special Interest Group (SIG) of our Society and successfully attracted close to 60 participants.

Panellists:

- Mr. Edmond Lau, CFA, Managing Director, Lingfeng Capital
- Ms. Joyce Ng, Managing Director, OurCrowd
- Mr. Ken Shih, Head of Sales & Marketing, AQUOMON

Moderator:

- Mr. Jeffrey Ng, CFA, Head of FinTech Solutions, Ping An OneConnect Bank



Is Gold Still a Safe Haven for Investors amid the Pandemic?

In view of the unstable global environment due to COVID-19, low interest rates and geopolitical tensions, investors are seeking for ways to preserve wealth. Gold is lauded as the "Store of Value" and has long been a sanctuary during times of uncertainty like these. CFA Society Hong Kong was glad to have Mr. Joshua Rotbart, who is the founder and managing partner of J. Rotbart & Co., a Hong Kong-based bullion house providing precious metals solutions for high-net-worth clients, e.g. family offices and private banks worldwide to host the webinar, **"Is Gold still a Safe Haven for Investors amid the Pandemic?"**, on 30 Jun 2020. It was the first ever CPT webinar hosted due to the COVID-19 pandemic. There was a great turnout of 139 participants with enthusiastic responses in the Q&A session. The playback of this complimentary event is open for free download.



Continued in next page [↗](#)

Awards Night 2019

On 22 Nov 2019, our Society organised our annual Awards Night to celebrate the outstanding achievements of over 800 Level III CFA® program candidates, the winners of our Best Research Report Competition (to be covered in a later section), the Outstanding Volunteer awardees who devoted their own valuable time and energy to the Society during this year, and our Decenary CFA charterholders and Bi-decenary CFA charterholders.



We were honoured to have our Society's former Vice President and Director, Mr. Joseph Chan, JP, the current Under Secretary for Financial Services and the Treasury, to join us at this special occasion as the keynote speaker. Close to 140 guests joined the event and shared an evening of celebration and joy.

CFA Society Hong Kong Outstanding Volunteer Awardees:

- Mr. David Ching, CFA, for formulating and leading the development strategy of Candidate Services Committee and being a Study Group Leader
- Mr. Jaime Chou, CFA, for contributions to the consultation paper replies for Advocacy Committee and for being the emcee, sharing in post-Level III exam gathering and attending the meeting of the Candidate Services Sub-group
- Mr. Alan Lau, CFA, for being the First Round Judge of Best Research Report Competition for five years
- Mr. Samuel Lee, CFA, for being the mentor of The Hong Kong Local Final of the CFA Institute Research Challenge five times since 2014-15 season
- Ms. Debbie Man, CFA, for copywriting/editing of annual report 2018 and social media posts
- Mr. Peter Phillips, CFA, for being the mentor of The Hong Kong Local Final of the CFA Institute Research Challenge for five times since the season of 2013-14
- Ms. Ivy Tang, CFA, for contribution in two ESG-themed events by formulating the topics and being the emcee. For one of events, she also helped in speaker invitation
- Mr. Raymond Tsang, CFA, as the speaker of the career panel of The Hong Kong Local Final of the CFA Institute Research Challenge (2018-19), helped line up our Society for collaboration with The Chinese University of Hong Kong (CUHK), e.g. included our Society as a supporting organisation for a CUHK FinTech Conference in 2018 as well as lining up for Continuing Education event
- Mr. Adam Wong, CFA, as the founder for CFA Society Hong Kong Running Club and organised three running events in 2019, and leads the mentorship programme
- Mr. Hannes Valtonen, CFA, for contributions to the consultation paper replies for Advocacy Committee



Best Research Report Competition 2019

BRRC was launched in 2014. It aims to recognise excellence in published investment research and is open to all analysts based in Hong Kong or whose reports with a subject company that is primarily listed in Hong Kong. Equity / Sector reports are judged by a panel of industry experts in a double-blind review process. The judges evaluate the reports based on the following six criteria: investment summary, industry overview and competitive positioning, valuation, financial analysis, investment risks, and other business-critical information.

The winners of BRRC 2019 were:

Category: Sector Report

- **Champion:** Mr. Andrew Chung, CFA, Daiwa Capital Markets Hong Kong Limited
- **First Runner-up:** Mr. John Lam, CFA, UBS AG
- **Second Runner-up:** Mr. Terrance Liu, CFA, CLSA Limited

Other Top Ten Finalists (in alphabetical order of last name):

- Mr. Kelvin Chui, UBS AG
- Ms. Susanna Chui, CFA, DBS Bank (Hong Kong) Limited
- Mr. Carlton Lai, CFA, Daiwa Capital Markets Hong Kong Limited
- Ms. Elinor Leung, CFA, CLSA Limited
- Ms. Manyi Lu, DBS Bank (Hong Kong) Limited
- Mr. Walter Woo, CMB International
- Mr. Jialin Zhang, ICBC International

Best Research House Award:

- **UBS AG**

In its sixth edition, the title race for the Best Research House award was highly competitive. Submissions from UBS AG received the highest average score, which showed that their reports maintained a relatively high performance on a consistent basis.

Encouragingly, in recent years, there have been a good number of returning participants and houses participating in our competition, which continue to fuel our confidence in pursuing the mission of promoting outstanding investment research that can help investors make a well-informed investment decision.

Category: Single Company Report

- **Champion:** Mr. Jeffrey Kiang, CLSA Limited
- **First Runner-up:** Ms. Ho Pei Hwa, DBS Bank (Hong Kong) Limited
- **Second Runner-up:** Ms. Susanna Chui, CFA, DBS Bank (Hong Kong) Limited

Other Top Ten Finalists (in alphabetical order of last name):

- Mr. Kelvin Chui, UBS AG
- Ms. Alison Fok, DBS Bank (Hong Kong) Limited
- Mr. Jonas Kan, CFA, Daiwa Capital Markets Hong Kong Limited
- Mr. Johnny Lau, CFA, CLSA Limited
- Mr. Raymond Liu, CFA, HSBC Global Research
- Mr. Walter Woo, CMB International
- Mr. James Wang, UBS AG

The judges of the final round were:

- Mr. Ronald W. Chan, Chief Investment Officer, Chartwell Capital Limited
- Ms. Yee Man Chau, CPA, CFA, Chief Investment Officer, Modus Asset Management Limited
- Mr. William Fong, CFA, Head of Hong Kong China Equities, Baring Asset Management (Asia) Limited

CFA Institute Research Challenge – Hong Kong Local Final 2019-20

Real effort in virtual Hong Kong Local Final - It is the first time the local final presentation turned virtual due to the tightened social distancing measures under the COVID-19 pandemic, which served the dual purposes of accommodating public health considerations and recognising the great work of our student participants on 22 Feb 2020. The subsequent regional and global competitions were all conducted in a virtual environment as well.

Research Challenge is a competition among university teams which conduct in-depth research analysis on a designated publicly traded company, prepare a written report on that selected company and then present their findings to a panel of judges.

Ten Teams from local universities participated in the Hong Kong Final of the CFA Institute Research Challenge 2019-20. The subject listed company was Link Asset Management Limited.

The teams were guided by six mentors:

- Mr. William Leung, CFA, Partner, Overlook Investments
- Mr. Damon Wang, CFA, Vice President, LaSalle Investment
- Mr. Paul Chan, CFA, veteran Chief Investment Officer
- Mr. Peter Phillips, CFA, Director, Frontier Asia Capital
- Mr. Samuel Lee, CFA, Research Product Manager, Morgan Stanley
- Mr. Terence Chan, CFA, Chief Executive, Hongkong and Shanghai Land Capital



The graders were:

- Mr. Dave Dai, CFA, Director, Regional Head of Utilities Research, Credit Suisse
- Ms. Hwee Ghee Lim, CFA, Deputy CIO, MEAG
- Mr. Gavin Ma, CFA, Equity Portfolio Manager, GaveKal Capital Ltd
- Mr. Patrick Ma, CFA, Research Director, Admiral
- Mr. Ng Ean Kiam, CFA, Executive Director, JT Capital Management Ltd
- Mr. Leon Qi, CFA, CPA, Executive Director, Regional Head of Asian Financials Research, Daiwa
- Ms. Asheefa Sarangi, CFA, Former Managing Director, HK/SG financials equity research, CLSA

The judges were:

- Mr. Wallace Cheung, CFA, Co-founder & CEO, InvBots.com
- Mr. Winson Fong, CFA, Managing Director, Greater China Equities, Manulife Investment Management (HK) Ltd
- Mr. Victor Yeung, CFA, Chief Investment Officer, Admiral Investment

The winners were:

- **Champion:** The Hong Kong University of Science and Technology (HKUST)
- **First Runner-up:** Hang Seng University of Hong Kong (HSUHK)
- **Second Runner-up:** Hong Kong Baptist University (HKBU)



Winners of the local competitions advance to compete against teams within their geographic region. Winning teams advance to compete at the global final competition. The champion team of the Hong Kong Final, HKUST team, proceeded to the Asia Pacific regional competition on 18-19 Mar 2020 and gained valuable experience.

Special thanks to all volunteers mentioned above and Mr. Alvin Ho, CFA, Chair of the Organising Committee of Hong Kong Final, for their contributions to the competition in the past.



Asset Owner Series 2019 - Investment Perspectives of Family Offices in the United States vs Asia

The cross-society collaboration between our Society and CFA Society New York (CFANY), two of the largest local societies of CFA Institute globally, delivered the burgeoning Asset Owner Series at Hong Kong on 26 Sep 2019, following a successful Asset Owner Series in 2018.

Interesting topics, namely the difference in asset allocation of family offices in the U.S. and Greater China etc., are covered and the event was well-received with close to 60 participants.

Panellists:

- Mr. Ko Chia, Director, Grace Financial
- Ms. Cathy Dong, Director, Cayn Family Capital
- Mr. Nithin Johnson, Director and Family Member, Arcbridge Capital
- Mr. John McCareins, CAIA, CIMA, Managing Executive & Head of Asia Pacific, Northern Trust Asset Management
- Mr. Li Zhang, Founder and Chairman, Righteous Capital

Moderator:

- Ms. Danye Wang, Founder and Managing Partner, UniGlobe Capital



AGM and Town Hall Gathering

Our Annual General Meeting (AGM) followed by a Town Hall Gathering took place on 9 Jan 2020 with 44 voting members attending and 105 proxies represented at the meeting. Voting by ballots was conducted at the AGM for the first time. At the Town Hall Gathering, we received a lot of valuable feedback on our member services, society activities, communication channels, etc., which could help us further improve our services and form the basis of a continued development strategy for the Society in the future.

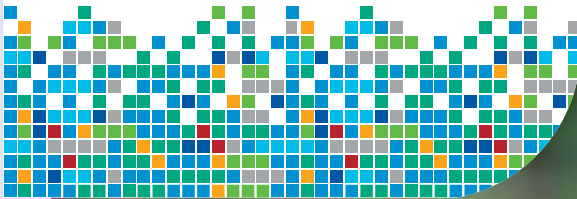


Special Interest Groups (SIGs)

A number of events have been organised under various SIGs of our Society. Seasoned speakers in the field of Environmental, Social and Corporate Governance (ESG), FinTech, and Value Investing were invited to share their unique insights in their area of expertise.

ESG DISCLOSURES IN ASIA PACIFIC

A Review of ESG Disclosure Regimes for
Listed Companies in Selected Markets



ESG

ESG Disclosure in Asia - Key Findings from Hong Kong Listed Companies

Meaningful, accurate, timely and comprehensive disclosures of material ESG risk factors by listed companies are essential for financial professionals in their investment analysis and decision making process. At the co-hosted webinar with CFA Institute, Mr. Piotr Zembrowski, CFA, Manager, Advocacy Research and Content, APAC, CFA Institute shared the key findings of their report "**ESG Disclosures in Asia-Pacific**". It was a review of the regulatory landscape of ESG disclosures in Australia, China, Hong Kong SAR, India, Japan, Singapore, and Thailand.

Mr. Ricky Cheng, Director and Head of Risk Advisor at BDO and Dr. Artie Ng, Deputy Director, School of Professional Education and Executive Development of The Hong Kong Polytechnic University cum International Associate, Centre for Social and Environmental Accounting Research (CSEAR) shared the results of an ESG survey by BDO that was released in Nov 2019 that revealed the common practices in ESG reporting in Hong Kong. The report noted that a number of companies had only partially met the new requirements and practices under the new disclosure requirements of Hong Kong Exchanges and Clearing Limited (HKEX). Despite the pandemic of COVID-19, an overwhelming response was recorded with 360+ registrants for the webinar on 5 May 2020.

Continued in next page [➤](#)

FinTech

AI & Quantum Computing for Banking & Insurance Fortunes & Challenges for China and the United States

Artificial Intelligence (AI) can potentially make us more effective thinkers and industry operators, but beyond the obvious rewards, one must also consider the potential risks inherent in AI for the broader society. Mr. Paul Schulte, Founder of Schulte Research, shared his thoughts and insights as an experienced industry player covering topics, such as how the mind tricks and how AI can help beat 'blind spots'; corporate case-studies globally with specific focus on China; quantum computing, cloud, and insurtech, etc., were shared with close to 60 industry practitioners on 9 Jul 2019.



Value Investing

Controversies over Economic Substance of Accounting Goodwill

Accounting goodwill arises when an acquirer pays more than the target's net asset value. In this webinar, Ms. Christina Ahuja Ng, Director, Standard Setting Department at The Hong Kong Institute of Certified Public Accountants (HKICPA), led a discussion on how the accounting goodwill could be accounted for to reflect its economic substance accurately. The findings from this initiative would help HKICPA to decide how to better serve the investing community, who are the frequent users of financial reports. A great discussion was stimulated during the event on 24 Oct 2019.

Candidate Services

To better equip CFA® Program candidates in preparation for the CFA examinations, our Society has organised a series of candidate services initiatives in addition to our regular study groups and kick-off gatherings. The **"Post-Level III Exam Gathering"** hosted on 14 Sep 2019, aiming to "hit three birds with one stone" by providing guideline to candidates for applying for the Society membership; engaging with this group of audience and sharing the value offered by the Society; and sharing the benefit of volunteering for the Society and converting them to be volunteers. The event was very well attended with 52 attendees (higher than usual show up rate of 72%) with very positive feedback from candidates on 14 Sep 2019. This event helped attract new members and contributed a 92% increase in new volunteers in the study group. The event was also highlighted in [Connexions](#) (a website for CFA Society leaders and staff covering CFA institute news and society success stories etc.) and was nominated for 2020 Impact and Innovation Awards of CFA Institute. We plan to organise this event regularly given the positive results.

Candidate Services Sub-group also extended our geographical reach this year to Macao by organising our first-ever **"CFA Program Macao Information Session"** on 17 Jan 2020. With the assistance of the MloFS, the event was held at the City University of Macau (Taipa Campus) and aimed to engage Macao's potential / existing candidates and introduce the Society to them. We also invited Ms. Grace Yeung, CFA, CPA, Senior Director, Exam Development, Asia Pacific of CFA Institute to go through the structure of the CFA Program. Kaplan's representative, Dr. Kyle Wong, CFA, presented his CFA



Examination strategy, practical study tips and the relevant hot topic analysis. Mr. Franki Chung, CFA, Ms. Felicia Wong, CFA, and Mr. David Ching, CFA, from the Society also shared their own examination experiences and how the CFA Program has benefited their career with the audience. The event was well attended by 62 candidates in Macao. The Society would leverage on the success of this event and launch more initiatives targeted for Macao.

Other than various events, [the Exam Tips Bank](#) is another new initiative that we have launched with our CFA examination study group this year. With the growing size of the study group, consisting of over 100 candidates and 20 study group leaders in each examination cycle, we want to create a tips bank consisting of examination revision skills, examination techniques and

study resources that can be leveraged as tools to facilitate discussion within each study group with economies of scale. The tips bank will be continuously updated and expanded. By exploiting the extensive network and knowledge of the Candidate Services Sub-group and the study group leaders, we have gathered and refined over 50 tips and presented them into an infographic format, grouping them by examination level and topic. These tips are sent out to each study group each week during the examination cycle by study group leaders. We have received very positive feedback from candidates and study group leaders alike, saying that these tips serve as a good starting point to engage in discussions, a great tool for motivating their revision and, of course, a good reminder of how much time left was until the big examination day!



Find out more about our candidate services, please click [here](#).



Rebranding as CFA Society Hong Kong

Since March 2019, the Society has organised a series of consultation events and surveys to solicit feedback and comments from our members. After taking into consideration a wide range of views and feedback, the Board of Directors formally approved on 20 Apr 2020 to change the Society logo to "CFA Society Hong Kong", while keeping the entity/legal name, The Hong Kong Society of Financial Analysts Limited, unchanged. This logo change is an important milestone for our Society and will further strengthen our brand by fostering a closer association and alignment with the CFA Institute, a global leader in the investment community. It will also allow the Society to better utilise the resources of the CFA Institute global family as well as other industry practitioners.

Discover how our rebrand story has unfolded [here](#).



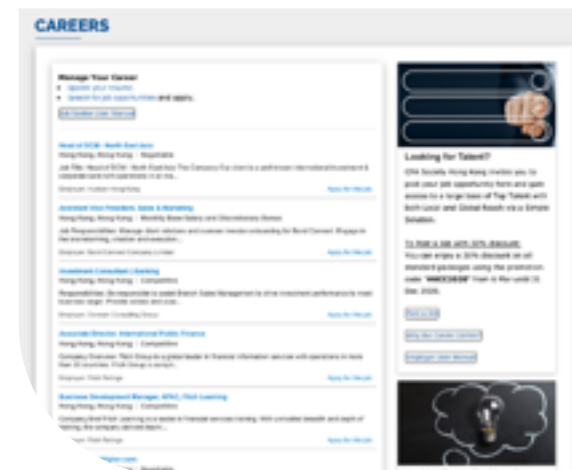
University Talk - Basics in Investment Research

On 30 Oct 2019, Mr. Alvin Ho, CFA, Director of our Society hosted a workshop, Basics in Investment Research, for the business school students of The Hong Kong University of Science & Technology. The workshop covered the role of an investment analyst, the daily routine and responsibilities, the constituents of a research report and the environment of the finance industry etc., Mr. Ho introduced the life of a research analyst and gave a preview to those interested in embarking on a career path towards investment banking after graduation. 54 participants joined the workshop.

Career Centre

Our Career Centre is one of the main pillars of our career development services, providing job seekers and employers within the financial industry a 24/7 information exchange platform. After revamping the webpage in the last financial year, there was a material growth in job seekers visiting the site, increasing from 783 in FY2019 to 4,165 in FY2020.

In the second half of 2019, there was also a growth in the total number of job posts, totalling 1,804 while the subsequent decline to 979 job posts in the first half of 2020 was likely due to the weak demand in labour market arising from the COVID-19 pandemic and the off-peak nature of that period.



To facilitate the users of the Career Centre, we offer a comprehensive user guide to employers and job seekers for optimising their user experience.

For visiting our Career Centre, please click [here](#).

Advocacy Efforts

In FY2020, our Society submitted two responses to consultation papers issued by Financial Services and the Treasury Bureau (FSTB) and HKEX.

Responses were submitted to the following papers:

- Consultation Paper on Review of the ESG Reporting Guide and Related Listing Rules (18 Jul 2019) (HKEX) Righteous Capital
- Consultation on Proposed Limited Partnership Fund Regime (22 Aug 2019) (FSTB)

In addition to submitting responses to consultations, our Society has also spared no effort in reaching out to and joining the activities hosted by the regulators and government authorities. During the fiscal year of 2020, the following outreach efforts were made:

Outreach Meeting:

- Monetary Authority of Macao and MloFS (27 Aug 2019)
- Financial Services Development Council (20 Jan 2020)



- Meeting with Securities and Futures Commission (SFC) on Ethics Training (22 Jan 2020)

Other activities:

- Consultation session on SFC Online Portal (29 Nov 2019)
- Soft Consultation on Proposed Amendments to SFC Competency Framework (3 Jun 2020)

To support the work of our Advocacy Committee members, an advocacy training on thought leadership, skill set for making a response to the consultation papers and introduction of a research

resource platform of CFA Institute, Asia-Pacific Research Exchange (ARX) was held on 7 Dec 2019. At the training session, Dr. Stratos Pourzitakis, Director, Society Advocacy Engagement, Asia Pacific, Ms. Sara Cheng, Senior Director, Capital Markets Policy and Strategy, APAC, and Mr. Scott Lee, Director, APAC, Research Exchange from CFA Institute shared their expertise with our committee members to sharpen their advocacy skill set. A total of 13 participants, including directors and volunteers, joined the training.

Assessing Insurance Companies in Turbulent Times

Presented by CFA Institute and the Association of Chartered Certified Accountants (ACCA Hong Kong) with the support of our Society, the webinar explored how the investors should assess insurance companies under the circumstances of tighter regulatory

regimes, geopolitical uncertainty, the ongoing digitisation of the economy, and the COVID-19 pandemic on 16 Jun 2020. Our Director, Mr. Charles Chui, CFA, one of the speakers, shared the rapid growth in the sales of internet insurance product and services in the China market, etc.. The webinar has generated very positive feedback, attracting over 676 registrants from Hong Kong, India, Mainland China, Singapore and the United States.

Speakers of high calibre were invited to share their insurance industry insights with the audience:

Event Host:

- Dr. Stratos Pourzitakis, Director, Society Advocacy Engagement, CFA Institute

Speakers:

- Mr. Charles Chui, CFA, Director, CFA Society Hong Kong
- Ms. Eunice Chu, Head of Policy, ACCA Hong Kong
- Ms. Jennifer Law, Managing Director, Equity Research, Haitong International Securities
- Mr. Mike Goodall, Chief Commercial Officer, Transamerica Life (Bermuda) Ltd.



Annual Cocktail 2019

In FY2020, our Society organised the Annual Cocktail on 5 Dec 2019, which attracted close to 100 industry practitioners. Apart from being an annual festive celebration for our members and distinguished guests, we took this occasion to throw a surprise farewell party for Mr. Paul Smith (centre), CFA, the former President and CEO of CFA Institute. As a long-standing partner of our Society, we have been working closely with Mr. Smith

across various CFA Institute initiatives in pursuit of building a more sustainable investment community both locally and globally. To show our gratitude and appreciation for Mr. Smith's support during his tenure, our directors presented him a portrait with farewell greetings. Another highlight of the evening was an amazing up-close magic performance that helped to elevate the festive atmosphere of the event to another level.

CFA Control Room 2019

There were thirteen episodes of media interviews via our long-standing radio and newspaper programme "CFA Control Room".

The half-hour Cantonese-speaking interview was broadcasted at Metro Finance FM104 on Sundays starting from 4 Aug 2019. Transcript-based companion articles were published in the Hong Kong Economic Journal (HKEJ) on the subsequent Mondays.

The theme of this year was "The Preface to Next Decade for Finance and Investment" in which speakers from different expertise, e.g., Academia, Alternative Investment, Asset Management, FinTech, Risk Management, Private Equity and Virtual Banking etc., shared their insights and overview for the development of their industry in the next ten years. For those who have missed the broadcasting and publishing dates of the series, please click [here](#) for the digital book compiling the published articles at HKEJ.



Investor Education Seminar

Co-hosting with ACCA Hong Kong, HKU SPACE, CFA Institute and Investor and Financial Education Council (IFEC), two Investor Education Seminars (IES) were held in the fiscal year of 2020.

Traditionally, the Telecommunications (Telecoms) sector is treated as one of the stock sanctuaries for equity investors, but after the price slash of various Asian Telecoms companies in 2018-2019, the stability of their business model is being questioned. Further to the IES focusing on the property sector in early 2019, we have organised a seminar, **Sector Analysis: A Framework for Investors (Telecoms)**, to explore the investment opportunities and challenges of Telecoms sector on 25 Jul 2019 which attracted 156 participants.

In conjunction with World Investor Week 2019, **Investor Education Seminar - Trends**



to inform your investment decisions & an analysis of the traditional and virtual banking sector took place on 28 Sep 2019 with a strong line-up of speakers to discuss the micro and macro environmental factors impacting investment decisions. In addition, virtual bank, a new buzz word in the investment world, was also covered in the seminar in which the speakers shared the challenges and opportunities brought by the virtual banks. It was a full house event with 335 participants.



Running Club

Since the establishment in Jan 2019, the Society's Running Club has organised three events with close to 30 enthusiastic runners joining. At the latest race, nine runners joined the AVOHK Reservoir Race Series – Aberdeen Reservoir on 12 Oct 2019. It was hot and humid on the race day, but everyone enjoyed spending a day on one of the most beautiful trails in Hong Kong with over 120 other participants.

ARX

A PREMIER HUB FOR
ASIA-PACIFIC INVESTMENT RESEARCH



CFA Institute Asia-Pacific Research Exchange (ARX) is a digital platform and eco-system, built specifically to deliver region-specific content about finance and investment management issues.

WHAT CAN I USE ARX FOR?

Gain access to content from a variety of industry sources on ARX with contributions from industry professionals, government, regulators, academia, CFA® charterholders and more.

ARX is a free-to-join, open access hub with thousands of pieces of content for you to explore.



Share

Exchange research and thought leadership content with thousands of like-minded practitioners and academics in the region.



Learn

Absorb new and wide-ranging ideas on a centralized platform to learn about current and emerging industry topics.



Engage

Attend an ARX event in your area for peer-to-peer interactions and networking practitioners and professionals alike.

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with regional insights and perspectives.

Covering
30+
topic areas

information on over
110
available events
throughout the year.

WHO'S USING ARX?



Visitors from across the Asia-Pacific region and from various job functions, including:

- C-Suite Positions
- Private Banking
- Wealth Management
- Portfolio Managers
- Research Analysts

Create an account on www.arx.cfa to browse the website, search for topics of interests and learn more about the Asia-Pacific Research Exchange mission and objectives.

WWW.ARX.CFA

Contact us at
info@arx.cfa
or ARX@CFAInstitute





CORPORATE GOVERNANCE



CFA Society Hong Kong (also known as The Hong Kong Society of Financial Analysts) is a non-profit organisation, run for the benefit of its members. While affiliated with the CFA Institute, the Society is an independent legal entity.

The Society is managed by a Board of Directors. The term limits, powers and duties of the Society Board of Directors are stated in the Articles of Association.

Executive Directors of the Board are elected from among regular members of the Society at its annual general meeting. The number of Executive Directors is capped at 16. Up to two Co-Opted directors can also be elected, who need not be members.

Directors serve a two-year term and are eligible for re-election. Directors do not receive any remuneration or benefits in kind for their service.

A Nomination Committee has been established by the Board of Directors to identify suitable candidates and to recommend members for election as Co-Opted Directors.

Not more than 60 days before an annual meeting, the Board of

Directors sends a notice to all members asking if they are willing to serve on the Board. Members have 20 days to respond.

In addition, a maximum of two suitably qualified people, who need not be members, can be nominated by the Nomination Committee and approved by the Board of Directors to be elected as Co-Opted Directors.

The Board distributes to Regular members the details of all proposed candidates and the terms of the proposed appointments before the annual meeting.

The Board of Directors meets six times a year. Each director is required to report on his or her area of responsibility. Any decision involving a commitment by the Society requires a majority vote of the Board for it to be implemented.

The Treasurer will review the monthly financial reports before they are shared with the Board. Cheques drawn on the Society's account require the signatures of two authorised signatories (Society directors, Managing Director or senior staff), and all expenses of over HK\$50,000 require the approval of the Board.

FINANCIAL HIGHLIGHTS



In FY2020, the Society's members' equity increased by 7% to HK\$21,762,495; and the surplus for the year decreased by 16%, or HK\$429,594, to HK\$2,307,101, compared to the previous year; mainly due to the Society's income tax has been recognised for current year and the past 6 years for HK\$323,831 and HK\$572,405 respectively as a prudent measure against potential tax liabilities. On the other hand, there was HK\$822,216 fair value decrease of financial assets fair valued through other comprehensive income during the year. As a result, total comprehensive income decreased by 48% to HK\$1,484,885 as compared to the previous year.

Despite there was capital diminution of the financial assets fair valued through other comprehensive income, the Society received HK\$505,995 in dividends and interest from debt and equity securities investments in FY2020. Membership fees and CFA Institutional funding increased by 1% and 2% to HK\$6,181,694 and HK\$2,981,394 respectively. The administrative and operating expenses decreased by 8% to HK\$6,894,870, due to the retirement of a senior staff.

Our FY2020 ending cash balance decreased by 16% to HK\$3,271,810 as a result of investing into financial assets at amortised cost which increased by 10% to HK\$9,483,196 compared to the previous year to enhance the investment income amid the ultra-low interest rate environment.

FIVE-YEAR SUMMARY

	2020	2019	2018	2017	2016
No. of Members	6,852	6,707	6,783	6,614	6,322
No. of Continuing Education Programmes	1	32	31	42	48
No. of Member Services Functions *	3	16	20	27	38
Income	HK\$	HK\$	HK\$	HK\$	HK\$
Membership Fees	6,181,694	6,137,464	5,381,990	5,257,350	5,017,520
Surplus from Education & Programmes	347,958	586,394	310,881	449,195	420,031
Surplus from Investment Research Challenge	3,873	-	-	-	-
Interest Income	579,346	435,607	375,948	320,141	219,706
Other Revenue	3,114,685	3,043,557	2,053,139	2,132,721	2,085,212
	10,227,556	10,203,022	8,121,958	8,159,407	7,742,469
Expenditure					
Administrative Expenses	6,151,729	6,619,886	5,884,294	5,923,912	5,536,900
Other Operating Expenses	743,141	846,441	1,577,903	1,716,028	1,474,790
Finance Cost	129,349	-	-	-	-
Income Tax	896,236	-	-	-	-
	7,920,455	7,466,327	7,462,197	7,639,940	7,011,690
Surplus for the Year	2,307,101	2,736,695	659,761	519,467	730,779
Assets					
Total of Non-Current Assets	16,925,162	15,099,720	10,127,857	10,065,163	7,528,796
Total of Non-Current Liabilities	385,357	0	0	0	0
Total of Net Non-Current Assets	16,539,805	15,099,720	10,127,857	10,065,163	7,528,796
Total of Current Assets	8,455,890	7,653,160	9,010,077	7,768,525	8,587,795
Total of Current Liabilities	3,233,200	2,414,029	1,667,955	1,539,622	1,226,330
Total of Net Current Assets	5,222,690	5,239,131	7,342,122	6,228,903	7,361,465
Total of Net Assets	21,762,495	20,338,851	17,469,979	16,294,066	14,890,261
Total of Members' General Funds	21,762,495	20,338,851	17,469,979	16,294,066	14,890,261

* Including Special Interest Group, Career Development and social events (not CPT eligible).

REPORT OF THE BOARD OF DIRECTORS

THE HONG KONG SOCIETY OF FINANCIAL ANALYSTS LIMITED REPORT OF THE BOARD OF DIRECTORS

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30 June 2020.

PRINCIPAL PLACE OF BUSINESS

The Hong Kong Society of Financial Analysts Limited (the "Society") is incorporated in Hong Kong and has its registered office and principal place of business at 14/F, BOC Group Life, Assurance Tower, 136 Des Voeux Road, Central, Hong Kong.

PRINCIPAL ACTIVITIES

The Society is an independent non-profit making organisation set up with its primary goal being to promote and raise standards in the practice of financial analysis in Hong Kong through educational programmes and advocacy works.

RESULTS

The financial performance and cash flows of the Society for the year ended 30 June 2020 and the financial position of the Society at that date are set out in the financial statements on pages 7 to 37.

MEMBERS OF THE BOARD OF DIRECTORS

The directors who held office during the financial year and up to the date of this report are :

President	Peter Anthony WATSON, CFA (resigned on 15 February 2020) Franki Ka Fai CHUNG, CFA (resigned on 22 June 2020) Richard Kan Chong MAK, CFA
Vice-president	Vincent Wing Chung NG, CFA
Secretary	Alvin Man HO, CFA
Treasurer	Charles Kin Wai CHUI, CFA Yin Toa LEE, CFA (retired on 9 January 2020)
Members	Alice Yee Lam WONG, CFA (retired on 9 January 2020) Ashley Pui Wun KHOO, CFA Claudius Sze Wai TSANG, CFA Felicia Chuen Wai WONG, CFA Ho Tak LEE, CFA (resigned on 22 June 2020) William Hung Piu LEUNG, CFA (appointed on 14 September 2020) Kevin Tsz King KWAN, CFA (retired on 9 January 2020) Adam Tsz Yin WONG, CFA (appointed on 14 September 2020) Verna Yu-Ting LIN, CFA (retired on 9 January 2020)

Peter Anthony WATSON, Franki Ka Fai CHUNG and Ho Tak LEE resigned as directors of the Society due to their personal reasons. They have confirmed that they have no disagreement with the Board and nothing relating to the affairs of the Society needed to be brought to the attention of the members of the Society.

In accordance with articles 80 and 81 of the Society's articles of association, a retiring Executive Director shall retire from office after the term of two years since the last election. Accordingly, Vincent Wing Chung NG, Alvin Man HO and Claudius Sze Wai TSANG shall retire from office at the forthcoming annual general meeting of the Society. In accordance with article 86, William Hung Piu LEUNG and Adam Tsz Yin WONG who filled up casual vacancies of the Board shall retire from office at the forthcoming annual general meeting of the Society. The retiring directors shall be eligible for re-election subject to the qualifications required under articles 83 and 83A. All other remaining directors shall continue in office.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements or contracts of significance to which the Society was a party, and in which a director of the Society had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Society a party to any arrangement to enable the directors of the Society to acquire benefits by means of the acquisition of shares in or debentures of any body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Society were entered into or existed during the year.

BUSINESS REVIEW

No business review is presented for the year as the Society has been able to claim an exemption under section 388(3) of the Hong Kong Companies Ordinance since it falls within the reporting exemption.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Society is currently in force and was in force throughout this year.

AUDITORS

The financial statements were audited by Chan, Li, Law CPA Limited, Certified Public Accountants (Practising), which retires and, being eligible, offers itself for re-appointment.

On behalf of the board

Richard Kan Chong MAK, CFA

President

Hong Kong

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HONG KONG SOCIETY OF FINANCIAL ANALYSTS LIMITED

(incorporated in Hong Kong with limited liability by guarantee)

OPINION

We have audited the financial statements of The Hong Kong Society of Financial Analysts Limited (the "Society") set out on pages 7 to 37, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Society as at 30 June 2020, and of the financial performance and cash flows of the Society 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 Society in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the directors' report set out on pages 1 to 3, but does not include the financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Society's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion 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 the report. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- 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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Chan, Li, Law CPA Limited
Certified Public Accountants (Practising)
Hong Kong

Li King Man
Practising Certificate No.: P05777

THE HONG KONG SOCIETY OF FINANCIAL ANALYSTS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

(Expressed in Hong Kong dollars)

	2020	2019
	HK\$	HK\$
INCOME		
Membership fees	6,181,694	6,137,464
Surplus from candidate education	295,735	418,406
Surplus from continuing education	52,223	167,988
Surplus from investment research challenge	3,873	-
CFA Institute Society Operational Funding subvention	2,981,394	2,927,379
Other revenue	712,637	551,785
	-----	-----
	10,227,556	10,203,022
Administrative expenses	(6,151,729)	(6,619,886)
Other operating expenses	(743,141)	(846,441)
	-----	-----
SURPLUS FROM OPERATIONS	3,332,686	2,736,695
Finance costs	(129,349)	-
	-----	-----
SURPLUS BEFORE TAX	3,203,337	2,736,695
Income tax	(896,236)	-
	-----	-----
SURPLUS FOR THE YEAR	2,307,101	2,736,695
OTHER COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR	(822,216)	132,177
	-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,484,885	2,868,872
	=====	=====

THE HONG KONG SOCIETY OF FINANCIAL ANALYSTS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

(Expressed in Hong Kong dollars)

	2020	2019
	HK\$	HK\$
ASSETS		
Non-current assets		
Property, plant and equipment	1,832,956	71,401
Financial assets at amortised cost	9,483,196	8,597,093
Financial assets at fair value through other comprehensive income	5,609,010	6,431,226
	16,925,162	15,099,720
Current assets		
Accounts and other receivables	995,772	198,607
Deposits and prepayments	588,308	537,618
Fixed deposits	3,600,000	3,000,000
Cash and bank balances	3,271,810	3,916,935
	8,455,890	7,653,160
Current liabilities		
Accounts payable and accruals	413,327	725,527
Receipts in advance	430,548	1,688,502
Lease liability	1,493,089	-
Tax payable	896,236	-
	3,233,200	2,414,029
Net current assets	5,222,690	5,239,131
Total assets less current liabilities	22,147,852	5,239,131
Non-current liabilities		
Lease liability	(385,357)	-
NET ASSETS	21,762,495	20,338,851
MEMBERS' EQUITY		
Members' general fund	20,235,397	17,989,537
Fair value reserve	1,527,098	2,349,314
	21,762,495	20,338,851

THE HONG KONG SOCIETY OF FINANCIAL ANALYSTS LIMITED

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

(Expressed in Hong Kong dollars)

	Members' general funds	Fair value reserve (non-recycling)	Total
	HK\$	HK\$	HK\$
Balance at 1 July 2018	15,252,842	2,217,137	17,469,979
Total comprehensive income for the year	2,736,695	132,177	2,868,872
Balance at 30 June 2019	17,989,537	2,349,314	20,338,851
Adjustment on adoption of HKFRS 16	(61,241)	-	(61,241)
Total comprehensive income for the year	2,307,101	(822,216)	1,484,885
Balance at 30 June 2020	20,235,397	1,527,098	21,762,495
	=====	=====	=====

THE HONG KONG SOCIETY OF FINANCIAL ANALYSTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

(Expressed in Hong Kong dollars)

	2020	2019
	HK\$	HK\$
Cash flows from operating activities		
Surplus before tax	3,203,337	2,736,695
Adjustments for :-		
Investment income	(505,995)	(408,593)
Interest income	(73,351)	(27,014)
Gain on disposal of debt securities investments	-	(34,462)
Depreciation		
- owned assets	54,550	51,403
- property leased for own use	1,438,158	-
Finance costs	129,349	-
Operating surplus before changes in working capital	4,246,048	2,318,029
Increase in accounts and other receivables	(797,165)	(50,535)
(Increase)/decrease in deposits and prepayments	(50,690)	1,286
(Decrease)/increase in accounts payable and accruals	(312,200)	376,054
(Decrease)/increase in receipts in advance	(1,257,954)	370,020
Net cash generated from operating activities	1,828,039	3,014,854
Cash flows from investing activities		
Acquisition of property, plant and equipment	(18,407)	(68,961)
Acquisition of debt securities investments	(1,688,232)	(5,765,409)
Disposal of debt securities investments	780,000	1,934,737
Acquisition of equity securities investments	-	(980,500)
Increase in time deposit with deposit term over three months	(600,000)	(800,000)
Investment income received	528,124	432,099
Bank interest received	73,351	27,014
Net cash used in investing activities	(925,164)	(5,221,020)
Cash flows from financing activities		
Capital element of lease rentals paid	(1,418,651)	-
Interest element of lease rentals paid	(129,349)	-
Net cash used in financing activities	(1,548,000)	-
Net decrease in cash and cash equivalents	(645,125)	(2,206,166)
Cash and cash equivalents at the beginning of the year	3,916,935	6,123,101
Cash and cash equivalents at the end of the year	3,271,810	3,916,935
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	3,271,810	3,916,935

For the full version of the audit report, please visit our website: <http://www.cfahk.org>



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