



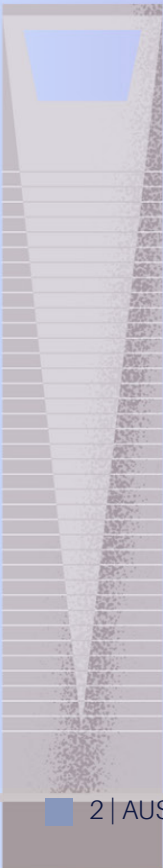
AustCham Shanghai

ANNUAL REPORT 2023

*Australian Chamber of Commerce
Shanghai*

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About Us

The Australian Chamber of Commerce Shanghai (AustCham Shanghai) is the peak body for Australian business in East China. As a membership-based organisation, AustCham Shanghai represents businesses and individuals involved in trade and investment between Australia and China and provides support, education, advocacy and business services.

Founded in 1994, AustCham Shanghai is the largest Australian Chamber of Commerce in the Greater China region. As the trading relationship has evolved beyond energy and resources to encapsulate a wide variety of sectors, AustCham Shanghai has grown to represent businesses in every sector, from manufacturing, health and aged care, cosmetics, to education and financial services.

The Chamber is based at Australia House by AustCham Shanghai, a stand-alone 5,300sqm seven-storey building in downtown Shanghai that provides physical offices, co-working spaces, food & beverage outlets, event spaces and showcase opportunities for the Australia-China business community. The development is in partnership with Anken, a long-term member of the Chamber.

Today, our Chamber brings the business community together through membership services, events, delegations, project management, representation and advocacy.

Membership Services

Business Advisory
Business Connections
Market Updates
Executive Networking
Industry Forums
Advocacy
Project and Event Management
Corporate Social Responsibility
In-Market Representation





Heidi Dugan

Chair of the Board of Directors,
AustCham Shanghai

Chair's Remarks

2022 was an extraordinary year with challenges due to Covid and lockdowns, opportunities arising from the change in bi-lateral relations, and ending with unexpected, accelerated opening of borders. For AustCham Shanghai and our members, it was a year that pushed the boundaries, meaning we needed to be quick to react to the needs of the members and changing situations that affected them.

Regardless of the economy or circumstances, the Chamber delivered stronger than ever results, with long term positive impacts on members, the broader community and the way we do business. Beyond our usual offline events, social activities and Australia and China government relations, AustCham Shanghai focused on introducing Community Townhalls and developed Community Industry Forums to give niche market support and advice for businesses. We are most proud of the one-to-one support given to the community during the Shanghai lockdown whereby we reached out to all our members via letters, and direct calls and messages, to ensure everyone was ok and to remind them we were there to support.

2023 is looking to be a year of changes and opportunities not seen before. The Chamber is positioned to lead new initiatives, develop stronger Australian and Chinese government relations, and

work closer with our members to help them thrive whilst living and doing business in China.

Despite the three years of pandemic closures and difficulties, in true AustCham Shanghai spirit, I am happy to report that the Chamber remains fiscally healthy. AustCham Shanghai's earnings before tax for the 2022 Financial Year was RMB 94,091, a 72.49% (RMB 247,987) decrease from the previous year. Although a decrease in earnings compared to 2021, AustCham's result is significant considering the lockdown months impacting the ability to hold offline events and activities. Performance is largely attributed to strong financial discipline, cost management, and value-creation from new and critical initiatives.

The results included a continued significant commitment to AustCham Shanghai's team, strengthening the value and support available for members in what was a critical time for AustCham Shanghai members and the broader community.

Balance Sheet and Financial Strength

The Company's net asset position increased 2.42% to be RMB 3.7 million at the end of the Financial Year 2022. The Company is in a strong liquidity position with the ability to pay its short-term obligations 1.97 times. The Company has no debt finance.

In accordance with the Board's medium-term outlook to continue to maintain the strength of the Balance Sheet, the Board has proposed that no dividends be paid to the sole shareholder for the benefit of the members for the 2022 Financial Year, and that post-tax profits be allocated to operational capital. The consideration of the past three years of instability means it continues to be prudent to maintain our financial capacity to continue both stable operations and have capital to meet future needs, changes and rebuild our membership.

The company has RMB 2 million in capital reserves. This provides 6 months of cover for average operating expenses (as of May 2023). The Company's position in the reporting period last year was 5.8 times cover.

Strategic Direction

The Chamber continues to listen to our members and community for the development of member value generating strategies and approaches. For 2023 we have 3 key focuses – developing and strengthening our Industry Forums, expanding support across our Yangtze River Delta catchment area, and continued

strong government relations.

Our Industry Forums lead the way for niche information sharing, event generation, building strong and supportive networks, and building a brand for Australian and Chinese organisations in their industries. These are the backbone of the Chamber, keeping the Chambers direction and activities relevant, whilst continuing to evolve existing Industry Forums and adding new ones that support the community.

During the past few years, traveling and providing support outside of central Shanghai was restricted. With the opening of borders and travel, this opportunity is open again. We are now visiting and reconnecting with communities and governments across multiple cities and will continue to build these connections.

Government relations and acting as a facilitator of information in both directions between members, Australian Government, and local governments, has always been a critical focus for the Chamber. Over the past few years a strong relationship with in-country Australian government has been developed. We thank our Consul General in Shanghai, Dominic Trindade for all his support during this period. For local government, we have seen a dramatic change in willingness to engage and collaborate, which we are thrilled and excited about.

Corporate Governance

The Board is accountable to members for the performance of the Company's business, and we aspire to excellence in keeping with the highest governance standards.

We continue to be diligent across our corporate governance with continual review and discussions on areas appropriate for improvement.

AustCham Shanghai's corporate governance framework and practices are detailed in the Corporate Governance Statement in this Annual Report.

Other key governance documents are available on our website at www.austchamshanghai.com.

Corporate Social Responsibility

Despite a reduction in activities and events throughout 2022, AustCham Shanghai sort various ways to encourage charitable donations across 2022. A total of RMB 91,806.32 was donated to our local corporate

social responsibility partners, as part of our commitment to give back to the community we operate in. Our current CSR partners are The Renewal Centre, Shanghai Sunrise, Chunhui Children, and Lifeline Shanghai, who are all financial partners.

Board of Directors

Details on the composition of the Board and the committees of the Board can be found in the Corporate Governance Statement section of the report. With the exception of the Executive Director, members of the Board are elected for a two-year term as independent non-executive directors and are not remunerated. I would like to express my sincere thanks to the Board of Directors for their commitment and contribution to the Chamber and the Australian community in China during what was a challenging period.

CEO and Employees

On behalf of the AustCham Shanghai Board, our members, and the broader community, I would like to express our deepest appreciation for the efforts of our CEO and Executive Director, Simon Woods, and the current and previous Chamber employees. As a team, they have performed beyond expectations during 2022, showing their capabilities during a difficult and important time of need, and we have every confidence that they will continue to do so.

The opportunities for us all are boundless in 2023. AustCham Shanghai will continue to show its strength and provide relevant, supporting platforms for current and new members to come. We will continue to focus on our core mission - generate value for members and be a bridge for trade and investment between Australia and China.



Heidi Dugan

Chair of the Board,
AustCham Shanghai



Simon Woods

CEO and Executive Director,
AustCham Shanghai

CEO's Report

2022 proved the importance of AustCham Shanghai and its position within the community. The complexity of the environment significantly increased, drawing the Chambers' focus towards deeper personal community support, at its most granular level, during one of the toughest times seen in the Covid pandemic period. The Chamber's strong relationships and dynamic and flexible approach, meant our community had immediate access to key representatives, information, and although unable to meet face-to-face, a bond within the Australian community.

Albeit a difficult year, the Chamber continued its strategic position of evolution, a Chamber that develops and seeks new opportunities as the needs of the members change. Time was spent in partnership with members, UMS (United Media Solution) and Ajinga, to launch digitised versions of two member services, Member Directory and Career Hub, giving faster and more access to our membership directory, and bringing organisations and potential employees closer together.

During 2021 and beginning of 2022, the Chamber had pushed hard to keep a foot inside the local political room, paving the way for doors to open quickly as tensions started to subside. Events such as the FMCG Showcase were openly supported by local government, and other events co-hosted. Now relationships are blossoming

for stronger support and engagement.

Delivering on our strategy

AustCham Shanghai had a continually evolving strategy that changed based on circumstances, environment, and to meet the needs of the next new normal, however, our core mission remains the same. We exist to seek new and creative ways to generate value for members and be a bridge for trade and investment between Australia and China. All strategies are reviewed with this lens, ensuring that the core mission of AustCham Shanghai remains the focus.

Being dynamic has facilitated a successful positive financial result for 2022, allowing us to hold membership fees stable for a fourth consecutive year. The Chamber was able to post earnings before tax of RMB 94,091. Membership numbers were impacted by the pandemic, 2023 will be a challenging year, but with the opening of China and improved bi-lateral relations, we see a bright future.

Core Business

Membership services continue to be the main revenue contributor for the Chamber. However, due to 2022 pandemic pressures, we had a reduction in total memberships, putting financial pressure on the Chamber at the end of 2022 and leading into 2023. That said, the Chamber worked hard to stabilise the 2022 financial result. As of 31 March 2022, AustCham Shanghai has a total of 168 members across Platinum, Corporate, and Small Business membership levels.

Our seven member-led Industry Forums (Food, Beverage & Agribusiness; Manufacturing, Sourcing & Supply Chain; Finance Investment & Tax; Human Resources; Built Environment; Women in Business; and Education & Training) which during the first few months of 2023 have expanded to include two further forums (Cosmetics; Creative & Marketing), were utilised as the second wave of online information sessions to the broader community during the Shanghai lockdown. It serviced and brought together the entire community across Australia - China related organisations for each industry sector. During the lockdown period alone, the Chamber's online Community Townhall's and Community Industry Forums were attended by 1377 people.

Navigating the continually changing environment, we were still able to deliver an increase of 30% executed events in 2022, with a total of 58 throughout the year,

including industry forums, government briefings, member seminars and webinars, professional development activities, social networking events, and charity fundraisers.

I am particularly proud of the AustCham Shanghai team, Board, Government partners, and members, for the Online Community Townhall's and Community Industry Forums held during the 2022 Shanghai Covid lockdown period. The coming together of people, information and effort touched the lives of many here in Shanghai and paved a path for a strong community in 2023.

A voice for members

With travel restrictions throughout 2022, AustCham Shanghai continued its position to act as an advisor on-the-ground from China. Platinum members were engaged in various meetings with both Australian and Chinese government. We also welcomed strong and growing support from Australian representatives in China, led by the Australian Consul General in Shanghai, Dominic Trindade, Senior Trade and Investment Commissioner, Bing Liu, and Australian State Governments with representation in market.

Our engagement with Chinese stakeholders continues to strengthen, particularly with Invest Shanghai, the Foreign Affairs Office of the Shanghai Municipal People's Government and since the beginning 2023, the Shanghai Municipal Commission of Commerce. These trusted relationships – strong and strengthening – are the basis for the type of open dialogue needed.

Being his last year in Shanghai, we would like to specifically thank Dominic Trindade for his support and friendship during his tenure as the Consul General in Shanghai. His close and open connection to the Chamber has led to many positive outcomes within the community. I will cherish his support and friendship into the future.

Communications

Our digital network channels expanded during 2022 with the addition of our Members Directory MiniProgram (powered by UMS), strong utilisation of AustCham Shanghai WeChat Channel for members video needs and updates, and the digitisation of our Career Hub into a new system (powered by Ajinga) that allows quick and easy advertisement of members open job positions and connection between organisations and candidates. Our digital network increased by more

than 12% year-on-year and now includes over fourteen thousand social media followers.

CSR Funds

Despite disruptions, we continually sought new ways to raise funds for our CSR partners and were able to donate RMB 91,806.32 to them on behalf of members. Our current CSR partners are The Renewal Centre, Shanghai Sunrise, Chunhui Children, and Lifeline Shanghai, who are all financial partners.

Outlook

AustCham Shanghai is excited to be at the forefront of 2023. With covid restrictions removed, opening of travel, positive direction of bi-lateral relations, and visitors coming into market for the first time in three or more years, 2023 will be a very different year, with very different opportunities. Our role continues to be a trusted on-the-ground partner, providing guidance, support, and connections as we all navigate this next new normal.

Our focus will be on the Industry Forums, expanding the categories to support our members, and to bring a different level of structure to enhance the value generated from industry specific discussions. Industry Forums will guide the Chambers direction, allowing the Chamber to support in the right manner. We are also reuniting ourselves with those in areas outside of central Shanghai, reaching out into the Yantze River Delta cities to rebuild networks and connections for greater support.

AustCham Shanghai continues to adapt and evolve, matching the environment and member's needs, we are here to deliver for our members and our community.



Simon Woods

CEO and Executive Director,
AustCham Shanghai



The Year in Highlights

Connecting the Australia-China community

1. ANZAC Day Aussie & Kiwi Drinks
2. The Aussie Summer BBQ & AFL Live
3. Corporate Golf Day
4. AU-CN 50 Year Anniversary Dinner by CSL Behring

Keeping members and the community informed

5. Monthly Managing Directors Lunch
6. Community Member Town Hall
7. Community Industry Forums
8. Briefing with Australian Minister for Trade and Tourism
9. FMCG Industry Briefing CIIE Edition 2022
10. Breakfast with Australia's Ambassador to China



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Understanding the New Australian Government: Implications for Business in Asia

14 June 2022 | 12 - 1 pm | Virtual

Richard Yetsenga
Chief Economist, ANZ

Mercedes Page
CEO, Young Australians in International Affairs

Kanishka Jayasuriya
Professor of Politics and International studies and Head of Department, Murdoch University

Register now on: <https://www.austcham.com.hk/events>



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AUSTCHAM SHANGHAI MINI PROGRAM POWERED BY UMS

UMS
United Media Solution
Digital Marketing Specialist

17

AUSTCHAM SHANGHAI CAREER HUB

POWERED BY AJINGA

Connecting and supporting the Australian alumni in China

- 11. UNSW Internship Program
- 12. Pitch Bootcamp with Study Melbourne Hub
- 13. Australian University Graduation & Career Fair

Facilitating the Australia-China trade relations

- 14. Understand the New Australian Government
- 15. FMCG Showcase in partnership with Austrade

Exploring new ways of communications

- 16. Launch of AustCham Shanghai WeChat MiniProgram with UMS
- 17. Launch of AustCham Shanghai Career Hub with Ajinga

At a Glance



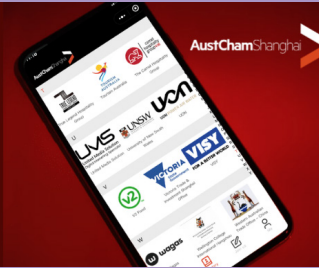
91,806 RMB

was donated to our local charity partners on behalf of members.

168

platinum, corporate, and small business AustCham Shanghai members, as of 31 March 2023.

AUSTCHAM SHANGHAI
MEMBERS



14%

growth in engagement within our nine industry forums, increasing to 246 members as of May 2023.

45%

The 3 largest industries represented in AustCham Shanghai's Membership are Finance, Investment & Tax; Manufacturing, Sourcing & Supply Chain; Food, Beverage & Agribusiness. These industries account for over 45% of the membership.



58

events, forums, roundtables and meetings in 2022, including those with local and Australian governments.

12%

Our digital network increased by more than 12% year-on-year and now includes over fourteen thousand social media followers.



Corporate Governance Statement



Overview

This Corporate Governance Statement describes the governance framework, policies and practices of AustCham Shanghai. Our approach to corporate governance is based on a commitment to consultation with our members and being open and transparent when reporting our decisions and performance. This approach includes a commitment to excellence in governance standards, which the Board sees as fundamental to the sustainability of our business.

The diagram on the right illustrates the legal structure of our Company and the relationship between our members, directors and employees within this framework.

Board Structure and Operation

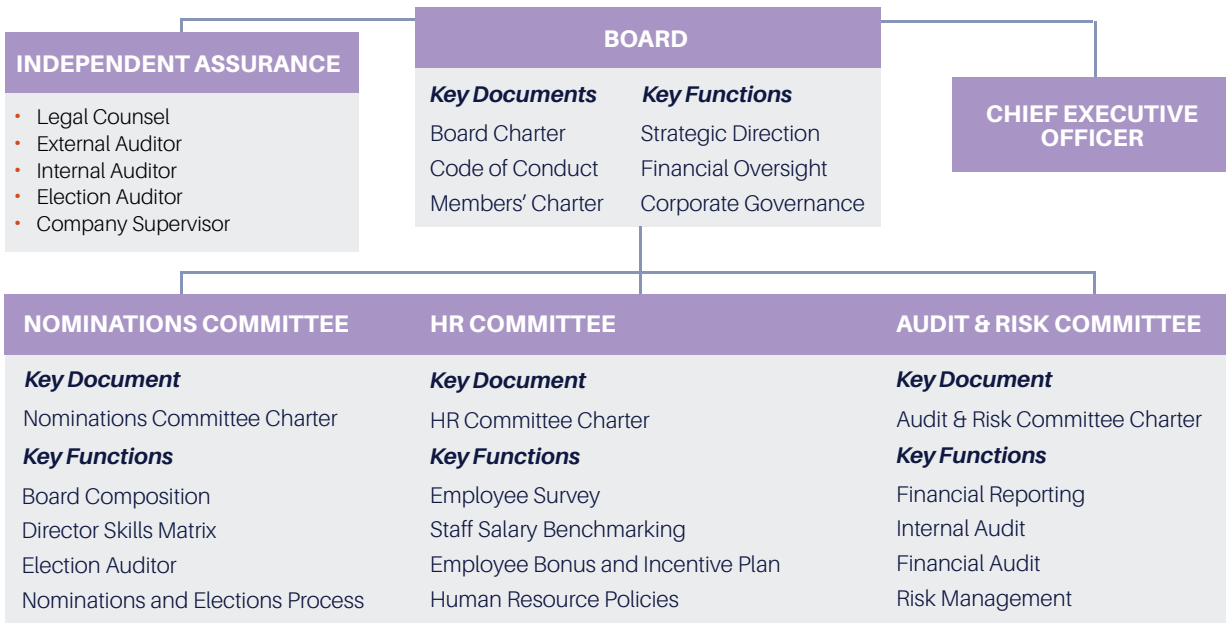
Governance Framework

The diagram below shows the Company’s current governance framework, including the current Board Committees. From time to time, the Board may form other committees or request Directors to undertake other specific extra duties. The key functions of the Board and each of the Board Committees are outlined in this Governance Statement. The Board and Board Committee Charters, along with other governance documents, are available on our website.

www.austchamshanghai.com



Note: Working committees such as Industry Forums are not Board Committees (that is, they have no delegation of authority from the Board) but sit beneath the CEO to implement Board-approved strategies and policies, or to provide a forum for consultation with members.



Key people and independent service providers who provide oversight of the corporate governance for the Company are listed in the table below.

Ao Shang Hui Consulting (Shanghai) Ltd

(hereinafter referred to as the Directors or the Board)

Board of Directors

Ms Alexandra Chu	Nominations Committee Chair; Non-executive Director
Mr Barclay Doring	Human Resources Committee Chair; Non-executive Director
Ms Heidi Dugan	Chair; Non-executive Director
Ms Stephanie Liu	Non-executive Director
Mr Michael Milne	Non-executive Director
Mr Todd Pearson	Non-executive Director
Mr Chester Wang	Audit & Risk Committee Chair; Non-executive Director
Mr Simon Woods	CEO, Executive Director & Legal Representative
Ms Becky Xia	Non-executive Director
Mr Tony Zhang	Deputy Chair; Non-executive Director

Board Appointments

Ms Maria McDermott	Company Secretary
Mr Martyn Huckerby	Company Supervisor
Fok Chan Leung Wan	External Auditor
Azure Group	Internal Auditor
Tiang & Partners	Legal Counsel
Ernst & Young	Election Auditor

AustCham Consulting Ltd

(100% shareholder of AustCham Shanghai)

Board of Directors

Ms Heidi Dugan	Non-executive Director
Mr Chester Wang	Non-Executive Director
Mr Tony Zhang	Non-Executive Director

Board Appointments

*Extend Holdings Limited	**Trustee
*Peninsula Corporate Limited	Company Secretary

**Both entities are operating entities of the Hong Kong fiduciary service provider.*

*** The Trustee is the registered shareholder of AustCham Consulting Limited. The shares are held pursuant to a Declaration of Trust for the benefit of the corporate voting members, in good standing, of AustCham Shanghai, hereinafter referred to as the Members.*



Board Meetings

The Board held eight scheduled meetings during the one-year term of the current Board up until June 2023.

In addition to the Board considering strategic matters at each Board meeting, the Board also discusses and approves the overall strategic direction on an annual basis.

Directors are encouraged to voice their opinions in an informed and constructive manner at Board meetings, so that their experience and independent judgment can bear on the issues and decisions at hand.

Time is set aside in Board meetings without management present, so that non-executive Directors can discuss issues appropriate to such a forum.

The Chair sets the agenda for each meeting, in conjunction with the Company Secretary and CEO. All Directors are welcome to suggest to the Chair that particular items of business be included in the agenda and there are opportunities to raise issues under any other business at the meetings. Meeting packs are distributed to all Directors in advance of the meetings to allow them sufficient time to prepare for meetings.



The Board currently comprises ten (10) Directors*, including nine (9) Non-executive Directors and one (1) Executive Director. The current Non-executive Directors, their date of appointment and their meeting attendance record since the last Annual General Meeting is set out below.

**Ms. Unice Liu resigned as a Director on 31st December 2022. Pursuant to Schedule B, Clause 9.3(c) of the Members Charter, the Board decided not to fill the vacancy on the Board ahead of the 2023 Director elections.*

Board of Directors	Term in Office	Meetings Attended
Ms Alexandra Chu	Director since June 2020 and Nominations Committee Chair since July 2022	8
Mr Barclay Doring	Director since June 2021 and Human Resources Committee Chair since July 2022	8
Ms Heidi Dugan	Director since July 2019 and Chair since July 2021	8
Ms Stephanie Liu	Director since July 2018	8
Mr Michael Milne	Director since November 2022	4
Mr Todd Pearson	Director since June 2020	8
Mr Chester Wang	Director since June 2022 and Audit & Risk Committee Chair since July 2022	8
Ms Becky Xia	Director since June 2020	6
Mr Tony Zhang	Director since February 2021 and Deputy Chair since July 2021	8

*Note: * The Board held TBC ordinary meetings and one strategy day meeting during the period from 1 July 2022 – 31st May 2023*

Role of Directors

The Board Charter outlines the roles and responsibilities of the Board. Key responsibilities in summary are:

- Approving the strategic direction of the Company and significant strategic initiatives;
- Approving the Company's annual targets and financial statements and monitoring financial performance against forecast and prior periods;
- Overseeing good governance and risk management practice; and
- Reviewing succession plans for the CEO.

The Constitution and the Board Charter enables the Board to delegate to Board Committees and management.

The roles and responsibilities delegated to the Board Committees are captured in the Charters of each of the three established committees, namely:

- Audit & Risk
- Human Resources
- Nominations

The Board Charter, Board Committee Charters and the Constitution are available on our website at www.austchamshanghai.com.

The Board has also delegated to the CEO, and through the CEO to other managers, responsibility for the day-to-day management of the business. The scope of, and limitations to, management-delegated authority is clearly documented. These delegations balance effective oversight with appropriate empowerment and accountability of management.



Role of the Chair

The Board elects one of the Non-executive Directors as Chair, currently Ms Heidi Dugan. Ms Dugan was appointed Chair in July 2021 and re-elected as Chair in July 2022. The Chair's role includes:

- Providing effective leadership to the Board in relation to all Board matters;
- Guiding the agenda and conducting Board meetings;
- In conjunction with the Company Secretary, arranging regular Board meetings throughout the year, confirming that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual Directors;
- Ensuring the performance of the Board and its Directors is in line with the Directors' Code of Conduct;
- Acting as the primary point of communication between the Board and the CEO;
- Representing the views of the Board to the public; and
- Taking a leading role in creating and maintaining an effective corporate governance system.



Role of the CEO

Our CEO is Mr Simon Woods. The CEO's role includes:

- Leadership of the management team;
- Developing strategic objectives for the business; and
- The day-to-day management of the Company's operations.

Director Induction and Professional Development

All new Directors participate in an induction program to familiarise themselves with our business and strategy, culture and values, legal responsibilities as a director, the corporate governance structure and any current issues before the Board. The induction program includes meetings with the Chair and the CEO. New Directors receive appropriate background documentation, coordinated by the Company Secretary and by the CEO on the nature of the Company's business and its key drivers.

The Board encourages Directors to undertake continuing education and training to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. The Board, therefore, supports Directors being members of the Australian Institute of Company Directors in order to keep abreast of current governance issues and participate in webinars or online courses provided by the Institute.

Access to Information

All Directors have complete access to senior management and may seek information from the Company's Auditors. **Board and Director**

Performance Assessment

The Board is committed to implementing a system for review of its own performance and that of its committees annually. Under this system, the Board as a whole will discuss their performance as a group and, where relevant, the Chair will also hold individual discussions with each Director to discuss their performance on a needs basis. The non-executive Directors are responsible for evaluating the performance of the CEO, who in turn evaluates the performance of all other Senior Managers. The evaluations are based on Board-approved criteria, including the Company's business performance, achievement of long-term strategic objectives and the attainment of individual performance objectives.

Company Secretary

Our Company Secretary is Ms Maria McDermott. Under the Board Charter, the Company Secretary is accountable to, and reports directly to, the Board (through the Chair where appropriate) on all governance matters. All Directors have unfettered access to the Company Secretary. Under the Board Charter, the Directors appoint the Company Secretary.

Key focus areas of the Board over the past twelve months included

- Review of the Strategic Business Plan for the Company;
- Overseeing management's performance in strategy implementation;
- Monitoring the Company's operating and cash flow performance, financial position and key metrics; and
- Enhancing value for Members.



Board Composition

Essential requirements

The Board considers that each Non-executive Director must have the following essential personal attributes to be suitable to serve as a Director of the Company:

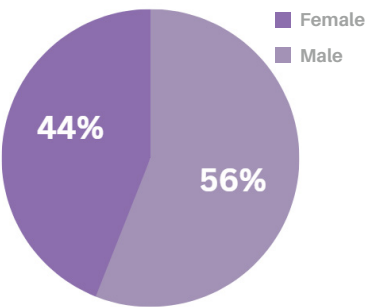
- High standards of personal integrity and ethical behaviour;
- Independence of thought;
- Sound judgment and decision-making;
- Team player;
- Good listener;
- Strong interpersonal and communication skills;
- Active networker; and
- Available to serve the needs of the company.

Diversity

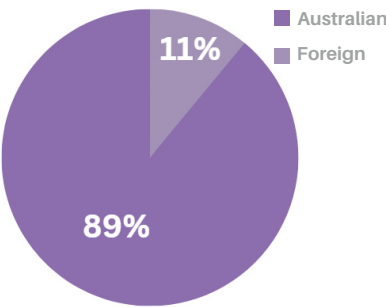
The Board recognises that a mix of Directors who represent a diverse range of viewpoints contribute to better decision-making. Therefore, it is important to ensure that its membership has an appropriate mix of people based on gender, ethnicity, industry represented, company-type represented, and length of tenure on the Board.

The adjacent tables and charts outline the current diversity of the Board membership.

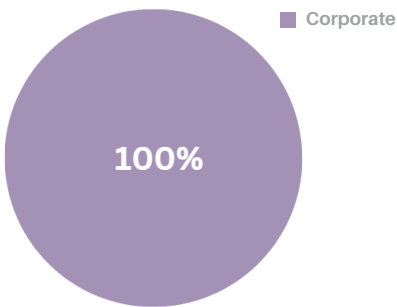
Gender Diversity



Nationality Diversity



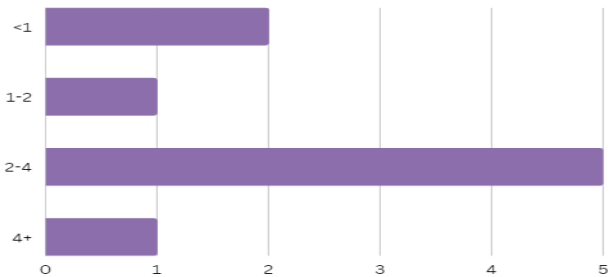
Company Diversity



Industry Representation

Food, Beverage and Hospitality	3
Banking and Financial Services	1
Real Estate	1
Professional Services	2
Education	1
Sport	1

Board Tenure



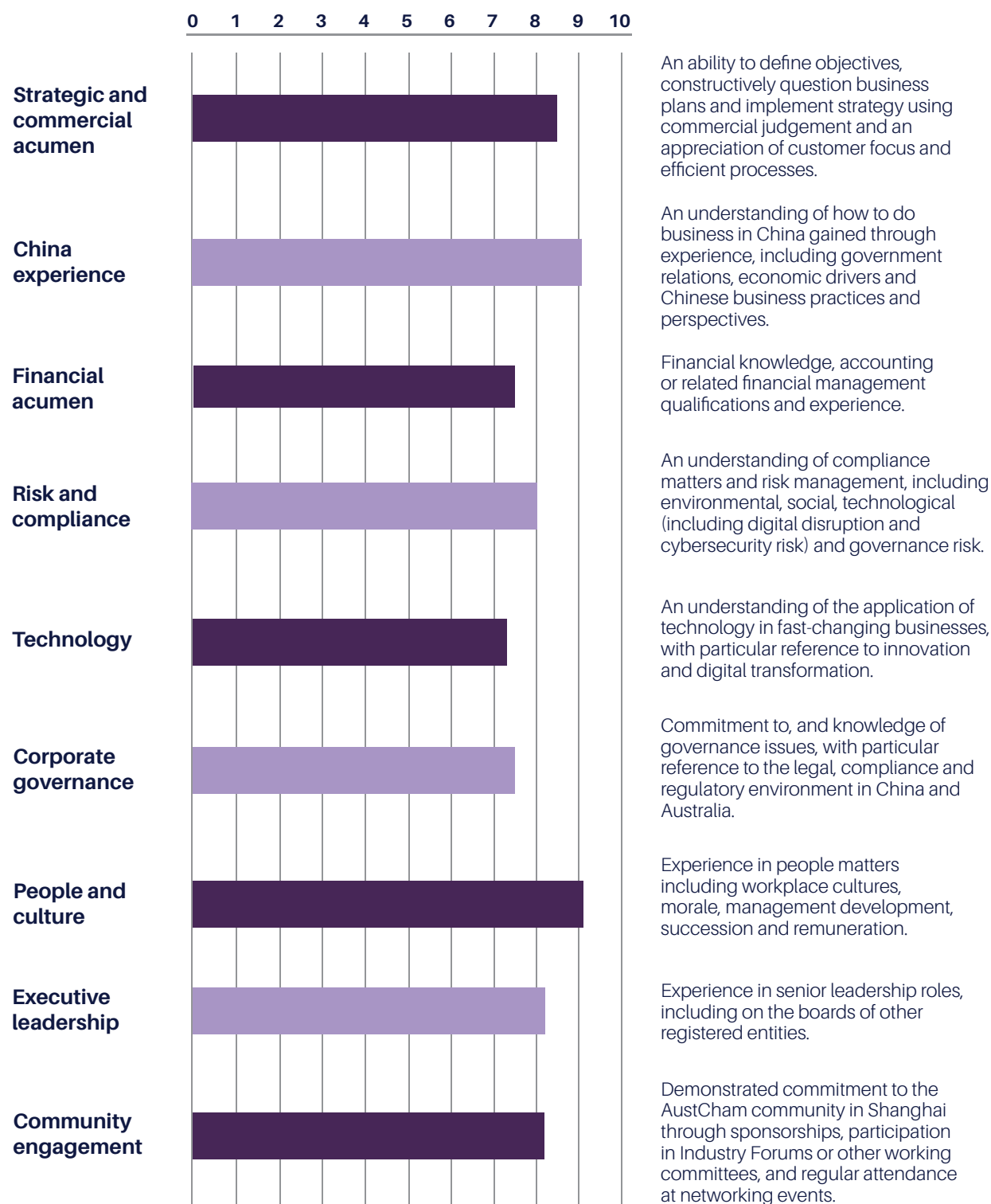
Skills, Knowledge and Experience

The Board recognises that each Director will not necessarily possess experience in all areas relevant to the Company's operations. Therefore, it seeks to ensure its membership includes an appropriate mix of Directors with skills, knowledge and experience in core competencies.

With this in mind, each Director completed a self-assessed skills matrix, which were consolidated and shown below, highlighting the diverse strengths across the Board.

AustCham Shanghai

Consolidated Directors' Skills Matrix



Board Committees

Purpose

To increase the effectiveness of the Board's functioning and to allow the Board to spend additional and more focused time on specific issues, the Board has three standing committees, being the Nominations Committee, the Human Resources Committee, and the Audit and Risk Committee.

Membership and attendance

Each of the Board Committees are comprised of Non-executive Directors. The CEO has a standing invitation to attend all Board Committee meetings – except where the relevant committee is discussing the CEO's employment arrangements or Non-executive Director only sessions are being held – and may participate in discussions but has no voting rights. Other Senior Managers may be invited to attend Board Committee meetings where the committee chair believes that person's attendance would be useful and relevant.

Each Board Committee has a formal Charter detailing the committee's role and responsibilities. These Charters can be found on the AustCham Shanghai website at www.austchamshanghai.com.

Details of the current membership of each committee are set out below, along with the meeting attendance record for members of each committee.

Committee Name	Members	Meetings Attended/ Held
Audit and Risk Committee	Mr Chester Wang (Chair)	4/5
	Ms Stephanie Liu	5/5
	Mr Todd Pearson	4/5
Nominations Committee*	Ms Alex Chu (Chair)	5/5
	Mr Chester Wang	5/5
HR Committee	Mr Barclay Doring (Chair)	5/5
	Ms Becky Xia	5/5
	Mr Tony Zhang	5/5

**Only directors who are not completing year two of a two year appointment, or who are not appointed on an interim basis until the next AGM, may sit on the Nominations Committee.*

Board Committee meetings

Board Committee meetings are held at scheduled intervals during the year, with additional meetings convened as required.

The Board Committees are generally scheduled to meet prior to the Board meeting.

Minutes of each Board Committee meeting are formally approved by the committee at the following committee meeting. The Chair of each committee reports on the activities and meetings of the committee at each Board meeting.

Audit and Risk Committee

The Board is focused to ensure the integrity of the Company's financial reporting, its management of risk and its legal, regulatory and policy compliance. The Audit and Risk Committee assists the Board in achieving this objective.

The Audit and Risk Committee assists the Board to meet its oversight responsibilities in relation to:

- Financial statements and financial reporting;
- Financial risk management processes, accounting and control systems;
- Internal and external audit arrangements;
- Compliance with legal, regulatory and internal policy requirements; and
- Risk management programs.



Key focus areas of the Audit and Risk Committee over the past twelve months

- The preparation of the statutory financial accounts of the Company, including the review of those accounts and the application of accounting policies in accordance with Chinese Accounting Standards;
- Reviewing and implementing an internal audit plan to assess the effectiveness of the Company's internal control environment. Engaging with the internal auditor on their findings and making recommendations to the Board to implement;
- Review of the risk management matrix at all scheduled meetings, and recommendations to the Board as appropriate as part of overall risk management;
- Review and of the Business Continuity Plan;
- Reviewing and evaluating the adequacy of the Company's insurance arrangements to ensure appropriate cover for identified operational and business risks;
- Review and update of financial reporting to provide real-time financial data to the Board; and
- Review of policies and procedures.

HR Committee

The Board's objective is to ensure that the Company has adopted remuneration and human resources policies that meet the needs of the business and encourage a performance-oriented culture.

The role of the Committee is to:

- Ensure appropriate policies and procedures are in place to assess the remuneration levels of the CEO, Senior Managers and staff;
- Ensure a clear relationship between business performance and the key performance indicators and remuneration of the CEO and Senior Managers;
- Align management and staff incentive awards with the creation of value for Members; and
- Ensure that the human resources strategy, policies and procedures are appropriate to the Company's needs and clearly designed and executed.

Key focus areas of the HR Committee over the past twelve months

- Review of staff remuneration & incentive plans;
- Oversight of CEO performance & professional development; and
- Reviewing succession plans.

Nominations Committee

The Board's objective in relation to Board nomination and review is that the Company has adopted transparent policies and practices to allow Members to elect a Board that:

- Has an effective composition, size, mix of skills, experience and commitment to adequately discharge its responsibilities and duties and add value to the Company and its Members;
- Has a proper understanding of, and competence to deal with, the current and emerging issues; and
- Can effectively review and challenge the performance of management and exercise independent judgment.

Key focus areas of the Nominations Committee over the past twelve months

- Review of nominations and elections process;
- Review and update the Directors' skills matrix;
- Assessing and implementing the annual performance appraisal of the Board and Board Committees; and
- Reviewing and updating the charter to allow for appointment of third parties to the committee.

Risk Management Framework

The Board is responsible for approving the Risk Management Strategy and for monitoring the effectiveness of risk management by the Company. The Board has delegated to the Audit and Risk Committee responsibility to:

- Review and recommend the Risk Management Strategy to the Board for approval; and
- Approve frameworks, policies and processes for managing risk.

The CEO and management team are responsible for implementing our risk management strategy and frameworks, and for developing policies, controls, processes and procedures for identifying and managing risk in all of the business's activities.

Internal Audit Function

The Audit and Risk Committee Charter sets out the role of the Committee in executing the internal audit function. The Audit and Risk Committee oversees a risk identification process and then recommends an annual internal audit plan to ensure that planned audit activities are aligned to material business risks.

The Audit and Risk Committee recommends an internal auditor to the Board for approval and reviews internal audit reports issued by the internal auditor.

The Committee also monitors progress with recommendations made in internal audit reports to ensure the adequacy of the internal control environment. The internal audit function and external audit function are separate and independent of each other.

The roles and responsibilities of the Audit and Risk Committee are further set out in the Audit and Risk Committee Charter.

External Auditor Independence Policy

The role of the external auditor is to assess whether or not the financial statements provide a true and fair view and are free of material misstatement. An external auditor is appointed to audit the financial statements of the Company.

The Audit & Risk Committee reviews the effectiveness,

performance and independence of the external auditor annually.

In reviewing the independence of the auditor, the Audit & Risk Committee must assess whether:

- An employment relationship exists or could be deemed to exist, between the Company and the auditor, its officers or former officers, employees or former employees or certain relatives;
- A financial relationship exists between the auditor and the Company other than that of the engagement of auditor; and
- The auditor provides any non-audit services to the Company.

Financial Risk Certification

The CEO provides a written statement to the Board in respect of the full-year reporting periods.

With regard to the maintenance of financial records, compliance of financial statements with accounting standards and systems or risk management and internal compliance in this written statement, the Board received assurance from the CEO that the declarations were founded on a sound system of risk management and internal control and that the system was operating effectively in all material aspects in relation to financial reporting risks, in respect of the full-year reporting period.



Company Supervisor

In accordance with the Company Law of China and the Company's Constitution, the Directors of our parent Company in Hong Kong must appoint a Company Supervisor. The main role of the Company Supervisor is to check the Company's financial affairs and ensure that Directors are performing their duties in accordance with the Constitution.

The Company Supervisor may attend meetings of the Board and the Board Committees provided that prior notice is given to the Chair of the Board.

The Company Supervisor has complete access to senior management through the Chair, CEO and Company Secretary at all times and may seek information from the Company's External and Internal Auditors provided that all such enquiries are first advised to the Chair and the CEO.

Our Company Supervisor is Mr Martyn Huckerby, who was appointed by the Board for a three-year term in January 2017 and appointed for a further three year term at the 2020 Annual General Meeting. A resolution was also passed at the 2022 Annual General Meeting to appoint him for a third term of three years commencing 1st January 2023.



Conduct and Ethics

Codes of Conduct

The Board has adopted Codes of Conduct that detail standards for acceptable practices by the Directors, Members, and employees, and the behaviour and responsibilities expected of them.

The Codes exist to ensure that all of the Company's people act in the best interests of the business, manage any potential conflicting interests, act in the best interests of their customers and colleagues (absent any conflict with their duties to the Company), ensure all business is undertaken safely, fairly, honestly and ethically, maintain confidentiality, comply with Company policy and behave in accordance with the underpinning values of the Company.

The Board is committed to promoting conduct and behaviour that is honest, fair, legal and ethical and respects the rights of the Members and other

stakeholders, including clients and customers, suppliers, creditors and employees.

The Codes of Conduct are reviewed to ensure compliance with legal obligations and ethical principles.

Board of Directors' Guiding Principles

To complement the Directors' Code of Conduct, the Board has agreed on a set of guiding principles for the operation of the Board and the conduct of its meetings.

Guiding Principles Statement

"The Board of AustCham Shanghai is committed to developing a high performance Board and aspires to excellence in standards of governance. We will achieve this by:

- Being respectful and supportive of management, asking questions that stimulate management thinking and provide constructive input that ensures management derives value from Board input.
- Working together as a team.
- Encouraging and valuing diverse but well-informed opinions.
- Being accountable to Members for our decisions.
- Maintaining openness and transparency in disclosing information at Board and Board Committee meetings.
- Adopting a consultative approach in our communications with Members and other key stakeholders.
- Ensuring that the roles of the Board, committees, the Chair, the CEO and management are clearly defined in writing.
- Keeping debate and decisions within the Boardroom.
- Ensuring Board papers are circulated at least 5 working days before Board meetings. Last minute papers will be kept to a minimum.
- Keeping communications open with the CEO about relevant stakeholder activity outside of meetings."

Annual Financial Report



Directors' Report

The directors have pleasure in presenting their annual report together with the audited consolidated financial statements of the company and its subsidiary ("the group") for the year ended 31 December 2022.

Principal Activities

The principal activities of Austcham Consulting Limited ("the company") and its subsidiary are provision of consultation and events management for business communities. The details of its subsidiary are set out in note 12(b) to the consolidated financial statements.

Results and Appropriations

The results of the group for the year ended 31 December 2022 and its state of affairs as at 31 December 2022 are set out in the consolidated financial statements.

The directors do not recommend the payment of any dividend for the year ended 31 December 2022.

Share Capital

There were no movements during the year.

Directors

The following directors held office during the year and up to the date of this report were:

DUGAN Heidi Marie	
WANG Chester	(Appointed on 30 November 2022)
XIA Linghua	(Resigned on 30 June 2022)
ZHANG Tao	
GRAHAM Toby Meredith Mckelvery	(Appointed on 20 July 2022 and resigned on 30 November 2022)

In accordance with the company's Articles of Association, all directors being remained in the office for an unlimited period of time.

The following directors of the subsidiary held office during the year and up to the date of this report:

XIA Linghua	WANG Chester
CHU Alexandra	WOODS Simon Christopher
DORING Barclay Konrad	ZHANG Tao
HEIDI Marie Dugan	GATHERCOLE James Franklin (Resigned)
LIU Yan	GRAHAM Toby Meredith Mckelvery (Resigned)
MILNE Michael Charles	LIU Dingying (Resigned)
PERSON Jamie Todd	

Management Contracts

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

Business Review

The group falls within the reporting exemption for the year. Accordingly, the group is exempted from preparing a business review under section 388(3)(a) of the Hong Kong Companies Ordinance.

Other Matters

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or consolidated financial statements which would render any amount stated in the consolidated financial statements misleading.

Auditors

The consolidated financial statements have been audited by Fok Chan Leung Wan CPA Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Chair
DUGAN Heidi Marie

Hong Kong
22 May 2023

Auditor's Report

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTCHAM CONSULTING LIMITED**
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Austcham Consulting Limited ("the company") and its subsidiary ("the group") set out on pages 6 to 21, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of income and retained profits, and the consolidated statement of cash flows 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 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report set out on pages 1-2, but does not include 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 true and fair view in accordance with HKFRS for Private Entities 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 board of directors is responsible 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 judgment 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 board of 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.

Fok Chan Leung Wan CPA Limited
Certified Public Accountants (Practising)
Hong Kong
Date

LEUNG Pak Kee
Practising Certificate No. P05175

Consolidated Statement of Income and Retained Profit

	Notes	2022 RMB	2021 RMB
Revenue	3	8,415,754	10,132,870
Other revenue	4	218,253	57,761
Administrative expenses		(8,539,916)	(9,848,553)
Profit before taxation	5	94,091	342,078
Taxation	6	(5,321)	(16,259)
Profit for the year		88,770	325,819
Retained profits at beginning of the year		2,340,441	2,014,622
Retained profits at end of the year		2,429,211	2,340,441

The accompanying accounting policies and notes are part of these financial statements.

Consolidated Statement of Financial Position

	Notes	2022 RMB	2021 RMB
Non-current Assets			
Property, plant and equipment	7	26,674	43,800
Current Assets			
Accounts receivable	8	43,672	280,469
Other receivables, deposits and prepayments	9	301,149	425,895
Cash and bank balances		7,231,489	6,150,225
		7,576,310	6,856,589
Current Liabilities			
Accruals and other payables		3,826,639	3,148,427
Accounts payable		16,588	80,975
		3,843,227	3,229,402
Net Current Assets		3,733,083	3,627,187
Net Assets		3,759,757	3,670,987
Represented by:			
Capital and Reserves			
Share capital	10	1,267,523	1,267,523
Currency remeasurement reserve		63,023	63,023
Retained profits		2,429,211	2,340,441
Total Equity		3,759,757	3,670,987

The consolidated financial statements were approved by the Board of Directors on and are signed on its behalf by:



Director
DUGAN Heidi Marie



Director
ZHANG Tao

The accompanying accounting policies and notes are part of these financial statements.

Consolidated Statement of Cash Flows

	2022 RMB	2021 RMB
Net cash flows from operating activities		
Profit before taxation	94,091	342,078
Adjustments for:		
Depreciation	17,126	21,805
Prior year adjustments		-
Bank interest income	(29,466)	(25,017)
Operating profit before working capital changes	81,751	338,866
(Increase)/ decrease in accounts receivable	236,797	(43,181)
(Increase)/ decrease in other receivables, deposits and prepayments	124,746	(68,865)
(Decrease)/ increase in accounts payable	(64,387)	(117,900)
Increase/ (decrease) in accruals and other payables	678,212	1,520,108
Cash generated from operations	1,057,119	1,629,028
Income tax paid	(5,321)	(16,259)
Net cash generated from operating activities	1,051,798	1,612,769
Cash flows from investing activities		
Bank interest received	29,466	25,017
Purchase of property, plant and equipment		(23,477)
Net cash generated from investing activities	29,466	1,540
Net increase in cash and cash equivalents	1,081,264	1,614,309
Cash and cash equivalents at beginning of the year	6,150,225	4,535,916
Cash and cash equivalents at end of the year	7,231,489	6,150,225
Analysis of balances of cash and cash equivalents		
Cash and bank balances	7,231,489	6,150,225

The accompanying accounting policies and notes are part of these financial statements.

Accounting Policies and Explanatory Notes to the Consolidated Financial Statements

1. Corporate Information

a. Registered Office and Principal Place of Business

The company was incorporated under the Hong Kong Companies Ordinance. Its registered office and principal place of business are located at Unit 12, 9/F Kenning Building, No.19 Wang Hoi Road, Kowloon.

b. Principal Activities

The principal activities of the company are provision of consultation and events management for business communities. The principal activities of its subsidiary are set out in note 12(b) to the consolidated financial statements.

2. Principal Accounting Policies

a. Basis of Preparation of the Consolidated Financial Statements

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

The group's management makes assumptions, estimates and judgements in the process of applying the group's accounting policies that affect the assets, liabilities, income and expenses in the consolidated financial statements prepared in accordance with HKFRS for Private Entities. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results may differ from these estimates.

b. Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the consolidated financial statements of the group are measured using the currency of the primary economic environment in which the entity operates "the functional currency". The consolidated financial statements are presented in Chinese Renminbi, which is the group's functional and the group's presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

c. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits and the other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts is shown within borrowings in current liabilities on the consolidated statement of financial position.

d. Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the group and its subsidiaries. A subsidiary is an entity (including special purpose entity) over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally but not necessarily accompanying a shareholding of more than half of the voting power. The subsidiary is fully consolidated from the date on which

control is transferred to the group and is de-consolidated from the date that control ceases.

All intragroup transactions, balances, income and expenses are eliminated. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group. There is no difference in the reporting date of the consolidated financial statements of the group and its subsidiary used in the preparation of the consolidated financial statements.

In the company's statement of financial position, the investment in a subsidiary is stated at cost less provision for impairment loss. The results of the subsidiary are accounted for by the company on the basis of dividends received and receivable.

e. Trade and Other Receivables

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

f. Trade and Other Payables

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

g. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use.

h. Depreciation

Depreciation is calculated to write off the cost of fixed assets with residual value of 5% of the total cost over their estimated useful lives, using the straight-line method, at the following annual rates:

Office equipment	5 years
Electronic equipment	3 years

i. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are generally recognised for all temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (taxable temporary differences). Deferred tax assets are generally recognised for all temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (deductible temporary differences) - but only to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

j. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

2. Principal Accounting Policies (Continued)

j. Leases (Continued)

Rights to assets held under finance leases are recognised as assets of the group at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in fixed assets, and depreciated and assessed for impairment losses in the same way as owned assets.

Rental payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

k. Impairment of Non-financial Assets, other than Inventories

At each reporting date, assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

l. Revenue Recognition

Service income is recognised when services are rendered.

Interest income is recognised on a time proportion basis applicable interest rates.

m. Related Parties

For the purpose of these consolidated financial statements, related party includes a person and entity as defined below:

a. A person or a close member of that person's family is related to the group if that person:

- (i) is a member of the key management personnel of the group and the company or of a parent of the group and the company;
- (ii) has control over the group and the company; or
- (iii) has joint control or significant influence over the group and the company or has significant voting power in it.

b. An entity is related to the group and the company if any of the following conditions applies:

- (i) the entity, the group and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of a third entity.
- (iv) either 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 of the group and the company or an entity related to the group and the company.
- (vi) the entity is controlled or jointly controlled by a person identified above.
- (vii) a person identified above has significant voting power in 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.

2022
RMB

2021
RMB

3. Revenue

Revenue, which also the group's turnover, represents membership fee, events and projects revenue and service revenue received and receivable for the year.'

Membership fee	2,089,406	2,635,388
Events and projects revenue	396,459	471,680
Service revenue	5,929,889	7,025,802
	8,415,754	10,132,870

4. Other Revenue

Bank interest income	29,466	25,017
Exchange gain, net	165,413	-
Sundry income	23,374	32,744
	218,253	57,761

5. Profit before Taxation

Profit before taxation as stated in the consolidated statement of income and retained profits was arrived at after charging and crediting the followings:

Charging:		
Auditors' remuneration	21,314	19,559
- Current year	3,594	29,460
- Underprovision in prior year	17,126	21,805
Depreciation		
Directors' emoluments		
- Fees	-	-
- Salaries and allowance	-	-
Exchange loss, net	-	41,509
Other staff costs	5,941,119	5,713,154
And crediting:		
Bank interest income	29,466	25,017
Exchange gain, net	165,413	-

6. Taxation

(a) Taxation in the consolidated statement of income and retained profits represents profits tax:

Current tax		
- Hong Kong profits tax	-	-
- China corporate income tax	5,321	16,259
	5,321	16,259

6. Taxation (Continued)

The group exposure to income tax is Hong Kong profits tax and China corporate income tax. During the year, the group carried out all of its business activities outside Hong Kong and therefore the group does not have any Hong Kong tax payable. The group does not have any material deferred tax liability or asset.

(b) Reconciliation between tax expense and accounting profit at applicable rates:

	2022 RMB	2021 RMB
Profit before taxation	94,091	342,078
Notional tax on profit before taxation, calculated at 16.5% (2020: 16.5%)	15,525	56,443
Effect of different tax rates of group entities operating	7,644	57,710
Tax effect of non-taxable revenue	(17,848)	(120,754)
Tax effect of tax loss not recognised	-	22,860
Actual tax expense	5,321	16,259

7. Property, plant and equipment

	Balance at 1/1/2022 RMB	Additions RMB	Balance at 31/12/2022 RMB
Cost			
Office equipment	16,792	-	16,792
Electronic equipment	168,876		168,876
	185,668	-	185,668
	Balance at 1/1/2022 RMB	Provision RMB	Balance at 31/12/2022 RMB
Accumulated Depreciation			
Office equipment	13,276	765	14,041
Electronic equipment	128,592	16,361	144,953
	141,868	17,126	158,994
Net Book Value	43,800		26,674

8. Accounts receivable

	2022 RMB	2021 RMB
Accounts receivable	43,672	280,469
Less: Allowance for doubtful debts	-	-
	43,672	280,469

**2022
RMB****2021
RMB****9. Other Receivable, Deposits and Prepayments**

Other receivables	8,152	75,604
Deposits	196,532	193,132
Prepayments	96,465	157,159
	301,149	425,895

10. Share Capital

Issued and fully paid: 4 ordinary shares	1,267,523	1,267,523
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11. Operating Lease Commitment

At the end of the reporting period, the group had the following future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

Not later than one year	709,920	984,846
Later than one year and not later than five years	472,164	1,489,608
	1,182,084	2,474,454

12. Statement of Financial Position of the Company

Information about the statement of financial position of the company at the end of the reporting period is as follows:

Non-current Assets		
Investment in a subsidiary	1,027,853	1,027,853
Current Assets		
Cash and bank balances	411,995	411,405
Current Liabilities		
Accrued expenses	21,314	19,559
Net Current Assets	390,681	391,846
Net Assets	1,418,534	1,419,699
Represented by:		
Capital and Reserves		
Share capital	1,267,523	1,267,523
Retained profits	151,011	152,176
Total Equity	1,418,534	1,419,699

12. Statement of Financial Position of the Company (Continued)

The financial statements were approved by the Board of Directors on and are signed on its behalf by:



Director
DUGAN Heidi Marie



Director
Zhang Tao

Note:

(a) Movements of the company's retained profits during the year and prior years are as follows:

	RMB
At 1 January 2021	266,710
Loss for the year	(114,534)
At 31 December 2021 and 1 January 2022	152,176
Loss for the year	(1,165)
At 31 December 2022	151,011

(b) Investment in a subsidiary

	2022 RMB	2021 RMB
Unlisted investment, at cost	1,027,853	1,027,853

Particulars of the company's subsidiary are as follows:

Name of subsidiary	Place of incorporation/ registration and business	Issued/Paid in capital	Percentage of shareholding	Principal activities
Ao Shang Hui Consulting (Shanghai) Ltd 澳上會商務諮詢(上海) 有限公司	People's Republic of China	RMB1,027,853	100%	Provision of consultancy services

Company Supervisor and Legal Counsel's Report

11 May 2023

I appreciate the opportunity to support AustCham Shanghai and its members as Supervisor and Legal Counsel over the challenging last year. During that period I have fulfilled those roles under the auspices of an engagement between AustCham Shanghai and the PwC legal network (which operates in the region through the independent law firm Tiang & Partners). I am also grateful to members for re-appointing me for a 3-year term at last year's AGM for the period 1 January 2023 to 31 December 2025.

I am not aware of any material risks for AustCham Shanghai that have arisen in relation to the contractual and employment matters over the past year. I have also not been made aware of any significant legal disputes or any pending legal issues that would be likely to materially adversely affect AustCham Shanghai or its members.

I understand that a review of the governance arrangements of AustCham Shanghai is ongoing and that a further update will be provided to members later this year. In the meantime, the shares of the holding company in Hong Kong will continue to be held in trust for AustCham Shanghai members and Maria McDermott will continue to ensure all corporate documentation remains in order.

Accordingly, I confirm that to the best of my knowledge, AustCham Shanghai's legal risks are being managed effectively by its management team and the Board of Directors.

I wish to thank the staff, management, directors and stakeholders of AustCham Shanghai on successfully navigating the past 12 months and I look forward to working together to help AustCham Shanghai and its members achieve even greater success in the period ahead.



Martyn Huckerby
**Company Supervisor
& Legal Counsel to AustCham Shanghai**

Corporate Voting Members



A

Abbey Road & Geneva ACASE Aetna International Ajinga Alibaba Cloud AllBright Law Offices Anglo American Resources Trading (China) Co., Ltd Anken Group Antai College of Economics and Management, Shanghai Jiao Tong University AQL Holdings Arete Group Limited Asian Tigers K.C. DAT (China) Ltd. AU Life International Pty Ltd Australia and New Zealand Bank (China) Company Limited Australia AXGZ Int'l Vocational Education Institute Australian National University Australian Trade and Investment Commission (Austrade) Aurtrade Global Pty Ltd Azure Group Chartered Accountants	Borys Priadko Tong Li Steve Blahy Beecher Ashley-Brown James Wang Michael Xu Cathy Wang Alexandra Chu LiNan Yao Tony Zhang Heidi Dugan Jason Will Ivy Yao Chris Raciti Lawrence Feng Nancy Yu Bing LIU Zheng Cai Stephanie Liu
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B

B&R Enclosures (Suzhou) Co Ltd Balance Trading Company Pty Ltd Baldwin Boyle Group Banyan Tree Shanghai On the Bund Beijing Jurlique Trading Co. Limited BHP Billiton International Trading (Shanghai) Co., Ltd Bioclub BIPO Blackmores BlueScope	Marko Dimitrijevic Peter Maher Unice Liu Barclay Doring Nora Li Ouyang Jun Huixia Jiang Kai Lynn Mok Yunhai Ling Xu Huang
---	--

C

Capital (Shanghai) Business Management Co. Ltd. Capital Eight CaroMel China Co. Ltd Carrington Day Central Studios CGP China Changfu Construction Group	Susan DietzHenderson Joanne Wood Greg McLardie Peter Arkell Rodney Evans Kourosh Asghari Zhengjii Li
--	--

Changzhou Municipal Bureau of Commerce(Changzhou International Investment Promotion Center) Chartered Accountants Australia and New Zealand(Hong Kong)Limited China Skinny Ltd Coles Supermarkets Australia Pty Ltd Commonwealth Bank of Australia Shanghai Branch Concordia International School Shanghai Cowan Business Consulting (Shanghai) Co.,Ltd CPA Australia Cross Asset Wealth Crown Worldwide (China) Co., Ltd. CSL Behring (Shanghai) Consulting Ltd	Wendy Yang Elizabeth Chan Mark Tanner Calvin An Ming Kao Marco Bouwer Joanna Hutchins Frances Gong Kenneth Sin Adrian Young Harold Chan
---	---

D

Deakin University Dentsu (Shanghai) Investment Co., Ltd Digital Creative Digital Reserve Dulwich College Shanghai Pudong Dulwich College Shanghai Puxi Dulwich College Suzhou	Shirley Xie Kate Wang Samuel Jesse Lenny Zhang Alice Shi Piers Matthews Alan Williams
--	---

E

Earnest Advisory eCargo Enterprise Limited Ecquality Timber Products Elders Limited Ernst & Young Hua Ming LLP Shanghai Branch EZZ Life Science	David Yu Lawrence Lun Terry Newman Vivi Cai Joanne Warrin Haitao Zheng
---	---

F

Fanhai International School of Finance, Fudan University (FISF) Fishburners China FMG Trading Shanghai Co., Ltd Fragomen (Shanghai) Co., Ltd	Joyce Liu Michael Wang Julie Zhu Becky Xia
--	---

G

Geebox Logistics Co.,Ltd Geowise GM Tours Pty Ltd Goodman Management	Jun Li James Kokkinos Steven Ma Grace Hang
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Consulting (Shanghai) Co. Ltd
Grand Hyatt Shanghai

Anthony Ha

H

Hassell
Hays Specialist Recruitment
hcreates | interior design
Hill & Associates (PRC) Ltd
Hong Fang Law

Minmin Long
Kathy Lou
Hadleigh Churchill
Howard Wang
Federico Bartolini

I

Iluka Trading (Shanghai) Co., Ltd
imondi
Institute of Strategic Leadership
and Coaching(ISLC)
Intercontinental Shanghai Ruijin

Maria Gonzalez
Carl Williams
Caroline Zhou
Kim Powley

J

Jie Xiong Consulting
Jier Art
Joint-Win Partners
JunZeJun Law Offices

Diana Xin
Keren Zhou
Chunwei Zhang
Zhengyang Wang

K

K & L Gates
KANVID
Kay & Burton real estate
King & Wood Mallesons
King Living
Knudsen China

Rong Fan
Theodore O'Mahony
Jamie Mi
Mark Schaub
Jianhua Miao
Mette Knudsen

L

Lendlease Greater China

Ding Hui

M

MA Financial Group Limited
Macquarie Commodities
Trading (Shanghai) Co., Ltd
Martec China
Mazars
Meat & Livestock Australia
MinterEllison
Mondiale VGL Pty Ltd
Montessori Academy

Alan Reid
Thomas Horn
Lily Chen
Lily Lu
Joe Zhu
Michael Wadley
Leighton Karl
Yijia Chen

N

National Australia Bank
New South Wales Government
New Zealand Trade & Enterprise
Newsoara

Patrick Huang
Murray Davis
Richard Dunsheath
Li Benny

O

Odin Mortgage(HK) Limited
O-I (Shanghai) Management
Co., Ltd.
Openway Food Co. Pty Ltd

Matt Hooper
Paul Marsden
Jonathan Crowder

P

Pallet N Plate Co. Ltd.
Penfolds
Phoslock (Changxing) Water
Solutions Limited(PWSC)
Port Adelaide Football Club
PricewaterhouseCoopers

Anthony Chow
Tom King
Viktor Li
Tony Zhang
Martyn Huckerby

Q

Qantas Airways Limited.

Alan Chang

R

Radisson Collection Hotel,
Xing Guo Shanghai
Redfern Digital
Rio Tinto Trading(Shanghai)
Co., Ltd
Ritter Sport

Howard Bennett
Ryan Molloy
Christine Yuan
Simon Manetti

S

SAGE HOUSE
Santa Fe Relocation
SBA Stone Forest
Sense Art & Technology
Shanghai 31Jiu Food Co Ltd
Shanghai Bowdex Motor Co.,
Ltd.
Shanghai Cohost Property
Management Co., Ltd
Shanghai Fairmont Peace
Hotel Company Limited
Shanghai Forest Manor Group
Shanghai PowerfulPoints Co.,
Ltd
Shanghai Pureco Packaging
Products Co., Ltd
Shanghai Rewin Law Firm
Shanghai Stone Capital Co.,
Ltd.
Shanghai Wagas Co Ltd
Shanghai You Le Fu Culture
Media Co., Ltd.
Sino Corporate Services China
Limited
Sky Migration & Education
Spaceframe China
SRG Trading (Shanghai)
Limited
St Jame's Place Wealth
Management
STAR (Shanghai) Accounting
& Consulting Co. Ltd
Sunshine Coast Regional
Council
SW
SWIMLAND

Mavis Mak
James Gooding
LEE LEE TAN
Niki Zhu
Frank Li
Alice Chen
Todd Gill
George Wee
Rong Pan
Lee Featherby
Alistair Sexton
Vivian Su
Barclay Doring
Jackie Yun
Chenyu Ling
Jason Xu
James XU
David Martin
Ck Ho
Kevin Hart
Yanjun Sun
Gabrielle Troon
Danny Armstrong
Allison Tsang

T

Tennis Australia	Roddy Campbell
The Camel Hospitality Group	Todd Pearson
The Langham Shanghai, Xintiandi	Lydia Liu
The Silk Initiative	Andrew Cameron
The Sukhothai Shanghai	Helene Fong
The University of Melbourne	Sharon Soltys
The University of Sydney	Michael Milne
The University of Western Australia	Michelle Wang
The Westin Bund Center, Shanghai	Richard Deutl
Thornehope (Shanghai) Marketing Communications Co., Ltd.	Arthur Zhang
Top Golf	Jeya Ibrahim
Tourism Australia	Andrew Hogg
Trade and Investment Queensland	Julie Anne Nichols
TransPerfect	Nick Miao

U

United Media Solution LTD	Eric Yu
University of New South Wales	Wright Courtney
UON Pty Ltd	Akiko Carlton

V

V2 Food	Joyce Qiao
Victoria Trade & Investment Shanghai Office	Brett Stevens
VIERRA AESTHETICS	CJ Chen
SHANGHAI LTD	
Visy	Paul Cashion

W

Wellington College International Hangzhou	Lindsay Bellis
Western Australian Trade Office - China	Juan Lu
Western International School of Shanghai	David Edwards
Wilson Group Limited	Arnon Hui
Wine Australia	Lucy Wood
Woods Bagot Shanghai	Pearl Huang
Woolworths Group	Berny Yang

Y

Yangzhou Jiro International Trade Co., Ltd.	James Instrell-Walker
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#

3 oceans group	Ziting Zhang
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Corporate Directory

Austcham Consulting Limited

Directors

Ms Heidi DUGAN
Mr Chester WANG
Mr Tony ZHANG

Trustee

Extend Holdings Limited, Suite 1, Commercial
House One, Eden Island, Republic of Seychelles

Company Secretary

Peninsula Corporate Limited, Unit 12, 9/F Kenning
Building No. 19 Wang Hoi Road, Kowloon Bay,
Hong Kong

Registered Office

Unit 12, 9/F Kenning Building No. 19 Wang Hoi
Road, Kowloon Bay, Hong Kong

Ao Shang Hui Consulting (Shanghai) Co., Ltd

Directors

Ms Alexandra CHU
Mr Barclay DORING
Ms Heidi DUGAN
Ms Stephanie LIU
Mr Michael MILNE
Mr Todd PEARSON
Mr Chester WANG
Mr Simon WOODS
Ms Becky XIA
Mr Tony ZHANG

Company Secretary

Ms Maria MCDERMOTT

Registered Office

Suite C2, Level 1, 127 Anyuan Road, Jing'An District,
Shanghai 200040

AustCham Shanghai

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Changning District, Shanghai, 200052

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