

# **AI YOU FOUNDATION**

## **FINANCIAL STATEMENTS AND REPORT OF THE AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2015**

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

**AI YOU FOUNDATION**  
**FINANCIAL STATEMENTS AND REPORT OF THE AUDITORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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Client: Ai You Foundation

Auditor: PricewaterhouseCoopers Zhong Tian LLP, Beijing Branch

Tel: 010-65338888

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**[English Translation for Reference Only]**

**Report of the Auditors**

**PwC ZT Beijing Shen Zi (2016) No. 897**  
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**To Ai You Foundation:**

We have audited the accompanying financial statements of Ai You Foundation, which comprise the balance sheets as at 31 December 2015, and the income statements, the cash flow statements for the year then ended, and the notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management of Ai You Foundation is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of Accounting Standards for Non-Profit Organization, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing and Audit Guidelines on Foundation Financial Statements. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**PwC ZT Beijing Shen Zi (2016) No. 897**

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ai You Foundation as at 31 December 2015, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Non-Profit Organization.

PricewaterhouseCoopers Zhong Tian LLP  
Beijing Branch

Beijing, the People's Republic of China

31 March , 2016

# Balance Sheet

Ai You Foundation

As At 31 December 2015

Unit: RMB Yuan

| ASSETS                                 | Line No. | 31 December 2014 | 31 December 2015 | LIABILITIES AND NET ASSETS                  | Line No. | 31 December 2014 | 31 December 2015 |
|--|----------|------------------|------------------|---|----------|------------------|------------------|
| Current Assets                         |          |                  |                  | Current Liabilities                         |          |                  |                  |
| Cash at bank and on hand               | 1        | 231,901,849.93   | 310,580,023.83   | Loans                                       | 24       | -                | -                |
| Short-term investment                  | 2        | -                | -                | Accounts Payable                            | 25       | 8,592,998.99     | 6,444,984.77     |
| Other Receivables                      | 3        | 1,232,289.50     | 4,425,302.59     | Paroll                                      | 26       | 42,588.60        | 563,522.29       |
| Advance to suppliers                   | 4        | -                | -                | Tax Payable                                 | 27       | 57,392.60        | 65,207.73        |
| Inventories                            | 5        | -                | -                | Advance from Customers                      | 28       | -                | -                |
| Prepaid Expense                        | 6        | 223,105.96       | 284,267.53       | Accruals                                    | 29       | -                | -                |
| Non-current assets due within one year | 7        | -                | -                | Pensions                                    | 30       | -                | -                |
| Other Current Assets                   | 8        | -                | -                | Non-current Liabilities due within one year | 31       | -                | -                |
| Total Current Assets                   | 9        | 233,357,245.39   | 315,289,593.95   | Other Current Liabilities                   | 32       | -                | -                |
|  |          |                  |                  | Total Current Liabilities                   | 33       | 8,692,980.19     | 7,073,714.79     |
| Long-term Investments                  |          |                  |                  |   |          |                  |                  |
| Long-term equity investment            | 10       | -                | -                | Non-current liabilities                     |          |                  |                  |
| Long-term debt investment              | 11       | -                | -                | Long-Term Loan                              | 34       | -                | -                |
| Total Long-term Investments            | 12       | -                | -                | Long-term Payables                          | 35       | -                | -                |
| Fixed Assets                           |          |                  |                  | Other Non-current liabilities               | 36       | -                | -                |
| Cost                                   | 13       | 35,780.00        | 168,288.00       | Total Non-current Liabilities               | 37       | -                | -                |
| Less:Depreciation                      | 14       | -                | 26,574.88        |   |          |                  |                  |
| Net Book Value                         | 15       | 35,780.00        | 141,713.12       | Entrusted Liabilities                       |          |                  |                  |
| Construction in progress               | 16       | -                | -                | Entrusted Liabilities                       | 38       | -                | -                |
| Cultural Relic Assets                  | 17       | -                | -                | Total Liabilities                           | 39       | 8,692,980.19     | 7,073,714.79     |
| Disposal of Fixed Assets               | 18       | -                | -                |   |          |                  |                  |
| Total Fixed Assets                     | 19       | 35,780.00        | 141,713.12       |   |          |                  |                  |
| Long-term prepaid expenses             | 20       | -                | 1,161,077.00     | Net Assets                                  |          |                  |                  |
| Intangible assets                      |          |                  |                  | Unlimited net asset                         | 40       | 194,898,407.54   | 235,798,282.09   |
| Intangible assets                      | 21       | -                | -                | Limited Net Assets                          | 41       | 29,801,637.66    | 73,720,387.19    |
|  |          |                  |                  | Total Net Assets                            | 42       | 224,700,045.20   | 309,518,669.28   |
| Entrusted Assets                       |          |                  |                  |   |          |                  |                  |
| Entrusted Assets                       | 22       | -                | -                |   |          |                  |                  |
|  |          |                  |                  |   |          |                  |                  |
| Total Assets                           | 23       | 233,393,025.39   | 316,592,384.07   | Total Liabilities and Net Assets            | 43       | 233,393,025.39   | 316,592,384.07   |

# Income Statements

Al You Foundation

For The Year Ended 31 December 2015

Unit: RMB Yuan

| Items  | Line No. | 2014           |                  |                | 2015           |                  |                |
|--|----------|----------------|------------------|----------------|----------------|------------------|----------------|
|  |          | Unlimited      | Limited          | Total          | Unlimited      | Limited          | Total          |
| <b>Revenue</b>   |          |                |                  |                |                |                  |                |
| Revenue from donation                                    | 1        | 83,345,702.10  | 119,448,477.28   | 202,794,179.38 | 105,141,490.10 | 161,894,423.13   | 267,035,913.23 |
| Revenue from service                                     | 2        | -              | -                | -              | -              | -                | -              |
| Revenue from goods sale                                  | 3        | -              | -                | -              | -              | -                | -              |
| Government grants  | 4        | -              | 1,000,000.00     | 1,000,000.00   | -              | 1,000,000.00     | 1,000,000.00   |
| Investment Income-Financial product income               | 5        | 6,719,805.15   | 879,253.92       | 7,599,059.07   | 6,798,159.25   | 800,194.99       | 7,598,354.24   |
| Other income-interest income                             | 6        | 226,503.96     | 138,420.32       | 364,924.28     | 466,400.69     | 192,855.42       | 659,256.11     |
| <b>TOTAL REVENUE</b>                                     | 7        | 90,292,011.21  | 121,466,151.52   | 211,758,162.73 | 112,406,050.04 | 163,887,473.54   | 276,293,523.58 |
| <b>Expenditure</b>                                       |          |                |                  |                |                |                  |                |
| Donation Expenditure                                     | 8        | 154,495,630.09 | -                | 154,495,630.09 | 178,391,773.48 | -                | 178,391,773.48 |
| General and administrative expenses                      | 9        | 7,700,506.46   | -                | 7,700,506.46   | 13,083,126.02  | -                | 13,083,126.02  |
| Financial expenses                                       | 10       | -              | -                | -              | -              | -                | -              |
| Other Expenses   | 11       | -              | -                | -              | -              | -                | -              |
| <b>TOTAL EXPENDITURE</b>                                 | 12       | 162,196,136.55 | -                | 162,196,136.55 | 191,474,899.50 | -                | 191,474,899.50 |
| Limited net assets transferred into Unlimited net assets | 13       | 111,106,677.90 | (111,106,677.90) | -              | 119,968,724.01 | (119,968,724.01) | -              |
| <b>Net increase in net assets</b>                        | 14       | 39,202,552.56  | 10,359,473.62    | 49,562,026.18  | 40,899,874.55  | 43,918,749.53    | 84,818,624.08  |

# Cash Flow Statement

Ai You Foundation

For The Year Ended 31 December 2015

Unit:RMB Yuan

| Items  | Line No. | 2015           | 2014           |
|--|----------|----------------|----------------|
| Cash flows from operating activities                 | 1        |                |                |
| Cash generated from donation                         | 2        | 267,035,913.23 | 202,794,179.38 |
| Cash generated from membership fee                   | 3        | -              | -              |
| Cash generated from rendering of services            | 4        | -              | -              |
| Cash generated from sales of goods                   | 5        | -              | -              |
| Cash generated from Government grants                | 6        | 1,000,000.00   | 1,000,000.00   |
| Cash received relating to other operating activities | 7        | 8,257,610.35   | 8,063,983.35   |
| Sub-total of cash inflows                            | 8        | 276,293,523.58 | 211,858,162.73 |
| Cash paid for donation                               | 9        | 180,532,368.86 | 160,893,967.30 |
| Cash paid to and on behalf of employees              | 10       | 8,578,297.40   | 4,898,439.94   |
| Cash paid for goods and services                     | 11       | -              | -              |
| Cash paid relating to other operating activities     | 12       | 8,372,175.42   | 3,325,374.82   |
| Sub-total of cash outflows                           | 13       | 197,482,841.68 | 169,117,782.06 |
| Net cash flows generated from operating activities   | 14       | 78,810,681.90  | 42,740,380.67  |
| Cash flows from investing activities                 | 15       |                |                |
| Proceeds from disposal of investment                 | 16       | -              | -              |
| Proceeds from investment income                      | 17       | -              | -              |
| Proceeds from disposal of PPE                        | 18       | -              | -              |
| Cash received relating to other investing activities | 19       | -              | -              |
| Sub-total of cash inflows                            | 20       | -              | -              |
| Purchases of PPE                                     | 21       | 132,508.00     | 35,780.00      |
| Purchases of investment                              | 22       | -              | -              |
| Cash paid relating to other investing activities     | 23       | -              | -              |
| Sub-total of cash outflows                           | 24       | 132,508.00     | 35,780.00      |
| Net cash flows generated from investing activities   | 25       | (132,508.00)   | (35,780.00)    |
| Cash flows from financing activities                 | 26       |                |                |
| Proceeds from borrowings                             | 27       | -              | -              |
| Cash received relating to other financing activities | 28       | -              | -              |
| Sub-total of cash inflows                            | 29       | -              | -              |
| Repayments of borrowings                             | 30       | -              | -              |
| Interest paid  | 31       | -              | -              |
| Cash paid relating to other financing activities     | 32       | -              | -              |
| Sub-total of cash outflows                           | 33       | -              | -              |
| Net cash flows generated from financing activities   | 34       | -              | -              |
| Exchange gain/(loss) on cash and cash equivalents    | 35       | -              | -              |
| Net increase in cash and cash equivalents            | 36       | 78,678,173.90  | 42,704,600.67  |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### I General information

Ai You Foundation (the "Foundation") was authorised for registration by the Ministry of Civil Affairs of the People's Republic of China on 6 May 2008. The unified social credit code is 531000005000210435. The legal representative is Mr Wang Bing and the Secretary-General is Mrs Geng Yuan.

The Foundation operates under the governance of the Ministry of Civil Affairs.

The approved scope of business of the Foundation includes sponsorship programs and medical treatment projects for the poor and disabled children; funding the supporting projects for the education and healthy growth of children; supporting the development of social charitable organisations; providing design and implementation of public projects as well as management advisory services; providing government purchase services.

### II Basis of preparation

Management confirmed that there are no uncertainties or situations relating to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. The financial statements are prepared on a going concern basis.

### III Statement of compliance with the *Accounting Standards for Non-profit Organisation*

The financial statements of the Foundation for the year ended 31 December 2015 are in compliance with the *Accounting Standards for Non-profit organisation*, and truly and completely present the financial position of the Foundation as at 31 December 2015 and its operations, cash flows and other information for the year then ended.

### IV Summary of significant accounting policies

#### 1 Accounting system

The Foundation prepared its financial statements in accordance with the *Accounting Standards for Non-profit organisation* issued by the Ministry of Finance and other related regulations.

#### 2 Accounting period

The Foundation's accounting year starts on 1 January and ends on 31 December.

#### 3 Recording currency

The recording currency of the Foundation is Renminbi (RMB).



## AI YOU FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

#### IV Summary of significant accounting policies (Cont'd)

##### 4 Basis of accounting and measurement bases

The Foundation follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

##### 5 Accounting methods for foreign currency transactions

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets.

##### 6 Accounting methods for bad debts

The provision method is used to account for potential bad debts identified by the Foundation. And the Foundation makes provision for bad debts on an individual basis.

A provision for bad debts is made by the Foundation if:

- (i) the debtor goes bankrupt or dies, and the Foundation is not able to collect the amount under the original terms even if it had been repaid through the debtor's bankruptcy estates or heritage;
- (ii) the debtor has not performed its obligations for a long time, and there exists sufficient evidence that the debt is impossible to be recovered or the possibility thereof is small.

##### 7 Measurement and depreciation of fixed assets

The "fixed assets" refer to assets that simultaneously have the following features: they are held for the purpose of business management, providing services, producing commodities or renting; their useful life exceeds one fiscal year; and their unit value is high.

- (i) A fixed asset shall be initially measured at its cost at the time of acquisition.
- (ii) Fixed assets are depreciated using the straight-line method.

The estimated useful lives, the estimated residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

| <u>Category of assets</u> | <u>Estimated<br/>useful lives</u> | <u>Estimated<br/>residual value</u> | <u>Annual depreciation rates</u> |
|---------------------------|-----------------------------------|-------------------------------------|----------------------------------|
| Electronic equipment      | 3 years                           | 3%                                  | 32.33%                           |

- (iii) Fixed assets without depreciations

Historical relics and arts held for the purposes of exhibitions, education or research, as well as other collections with cultural or historical value and being collected as a long-term or permanent preservation should be accounted for as fixed assets, and depreciation is not necessary.

## **AI YOU FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

#### **IV Summary of significant accounting policies (Cont'd)**

##### **8 Recognition of limited and unlimited net assets**

If the use of economic benefits of and/ or generated by an asset (returns on asset investment and interests etc.) is limited by the timing or/and proposes set by the owner of the asset or by government rules and regulations, such asset is classified as limited net asset. Any other net assets are unlimited net assets.

##### **9 Revenue recognition**

Revenue refers to the inflows of economic benefits or service potency which are received from the ordinary course of the Foundation's activities and which will result in an increase in the net assets of the current period. Revenues are divided by their sources into revenue from donation, government grant, revenue from services rendered, investment income, revenue from sale of goods, other income, etc.

The Foundation recognises revenue according to the following criteria and realised revenue is recognised in profit or loss for the period.

Recognised revenue is divided into revenue arising from exchange transactions and non-exchange transactions.

Unconditional donation or government grant is recognised when received; conditional donation or government grant is recognised when control rights of such assets are obtained; when the Foundation has donated assets or current obligations with the same amount that require to be fully or partly repaid, a liability or an expense is recognised based on the amount of such repayment.

Non-monetary assets generated from donation should be recognised at fair value. Donors are required to provide evidence for the fair value of the donated assets. Otherwise, revenue can't be recognised. Revenue generated from labour service donation is not recognised in revenue.

Where donors of assets set time or/(and) use limitations on such assets, from which the revenue generated is recognised as limited revenue; otherwise, the revenue is unlimited.

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
(English translation for reference only)

### V Notes to the financial statements

#### 1 Cash at bank and on hand

| Category     | Currency | 31 December 2014 | 31 December 2015 |
|--------------|----------|------------------|------------------|
| Cash at bank | RMB      | 231,901,849.93   | 310,580,023.83   |
| Total        |          | 231,901,849.93   | 310,580,023.83   |

#### 2 Other receivables

(1) The ageing of other receivables is as below:

| Ageing        | 31 December 2014 |                         |                 | 31 December 2015 |                         |                 |
|---------------|------------------|-------------------------|-----------------|------------------|-------------------------|-----------------|
|               | Book balance     | Provision for bad debts | Carrying amount | Book balance     | Provision for bad debts | Carrying amount |
| Within 1 year | 632,289.50       | -                       | 632,289.50      | 3,825,302.59     | -                       | 3,825,302.59    |
| 1 to 2 years  | -                | -                       | -               | -                | -                       | -               |
| 2 to 3 years  | -                | -                       | -               | -                | -                       | -               |
| Over 3 years  | 600,000.00       | -                       | 600,000.00      | 600,000.00       | -                       | 600,000.00      |
| Total         | 1,232,289.50     | -                       | 1,232,289.50    | 4,425,302.59     | -                       | 4,425,302.59    |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### V Notes to the financial statements (Cont'd)

#### 2 Other receivables (Cont'd)

(2) Major clients of other receivables are as below:

| Client  | 31 December 2014 |                    | 31 December 2015 |                    | Date of debt     | Reason of debt              |
|---|------------------|--------------------|------------------|--------------------|------------------|-----------------------------|
|   | Book balance     | % of total balance | Book balance     | % of total balance |                  |                             |
| Wu Han Union Hospital   | 200,000.00       | 16.23%             | 200,000.00       | 4.52%              | 5 December 2011  | Cash pledge                 |
| Shanghai Children's Medical Centre                                | 200,000.00       | 16.23%             | 200,000.00       | 4.52%              | 5 December 2011  | Cash pledge                 |
| Beijing Children's Hospital                                       | 200,000.00       | 16.23%             | 200,000.00       | 4.52%              | 17 October 2011  | Cash pledge                 |
| Hubei Wuhan Ai You Hekang Linjie Children's rehabilitation Center | 632,289.50       | 51.31%             | -                | 0.00%              | 14 August 2014   | Disbursement                |
| Shenzhen Ai You Future Foundation                                 | -                | -                  | 3,000,000.00     | 67.79%             | 9 September 2015 | Open accounts               |
| Beijing Kun Tai Jia Hua Real Estate Management Co., Ltd.          | -                | -                  | 731,749.53       | 16.54%             | 14 August 2015   | Office lease deposit        |
| Beijing Sheng Da Lian Property Management Co., Ltd.               | -                | -                  | 83,553.06        | 1.89%              | 31 August 2015   | Office property fee deposit |
| Others – petty cash   | -                | -                  | 10,000.00        | 0.22%              | -                | Petty cash for employees    |
| Total   | 1,232,289.50     | 100.00%            | 4,425,302.59     | 100.00%            | -                | -                           |

#### 3 Prepaid expenses

| Item         | 31 December 2014 | Increase in the current year | Amortisation charged in the current year | 31 December 2015 |
|--------------|------------------|------------------------------|--|------------------|
| Rent         | 214,754.40       | 1,818,021.53                 | (1,776,359.42)                           | 256,416.51       |
| Property fee | 8,351.56         | 214,419.14                   | (194,919.68)                             | 27,851.02        |
| Total        | 223,105.96       | 2,032,440.67                 | (1,971,279.10)                           | 284,267.53       |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
(English translation for reference only)

### V Notes to the financial statements (Cont'd)

#### 4 Fixed assets and accumulated depreciation

(1) Fixed assets are analysed by classifications as follows:

| Item                            | 31 December<br>2014 | Increase in<br>the current<br>period | Decrease in<br>the current<br>period | 31 December<br>2015 |
|---------------------------------|---------------------|--------------------------------------|--------------------------------------|---------------------|
| 1. Cost                         | 35,780.00           | 132,508.00                           | -                                    | 168,288.00          |
| Including: Electronic equipment | 35,780.00           | 132,508.00                           | -                                    | 168,288.00          |
| 2. Accumulated depreciation     | -                   | (26,574.88)                          | -                                    | (26,574.88)         |
| Including: Electronic equipment | -                   | (26,574.88)                          | -                                    | (26,574.88)         |
| 3. Carrying amount              | 35,780.00           | 105,933.12                           | -                                    | 141,713.12          |
| Including: Electronic equipment | 35,780.00           | 105,933.12                           | -                                    | 141,713.12          |

(2) Fixed assets are analysed by purposes as follows:

| Purpose             | 31 December 2014 |                             |                    | 31 December 2015 |                             |                    |
|---------------------|------------------|-----------------------------|--------------------|------------------|-----------------------------|--------------------|
|                     | Cost             | Accumulated<br>depreciation | Carrying<br>amount | Cost             | Accumulated<br>depreciation | Carrying<br>amount |
| Business management | 35,780.00        | -                           | 35,780.00          | 168,288.00       | (26,574.88)                 | 141,713.12         |
| Total               | 35,780.00        | -                           | 35,780.00          | 168,288.00       | (26,574.88)                 | 141,713.12         |

#### 5 Long-term prepaid expenses

| Item                      | 31 December<br>2014 | Increase in<br>the current<br>year | Amortisation<br>charged in the<br>current year | 31 December<br>2015 |
|---------------------------|---------------------|------------------------------------|--|---------------------|
| Expenditure on decoration | -                   | 1,229,375.64                       | (68,298.64)                                    | 1,161,077.00        |
| Total                     | -                   | 1,229,375.64                       | (68,298.64)                                    | 1,161,077.00        |

#### 6 Payables

| Item     | 31 December<br>2014 | Increase in the<br>current year | Decrease in the<br>current year | 31 December<br>2015 |
|----------|---------------------|---------------------------------|---------------------------------|---------------------|
| Payables | 8,592,998.99        | 7,676,505.02                    | (9,824,519.24)                  | 6,444,984.77        |
| Total    | 8,592,998.99        | 7,676,505.02                    | (9,824,519.24)                  | 6,444,984.77        |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### V Notes to the financial statements (Cont'd)

#### 6 Payables (Cont'd)

##### Major clients of payables:

| Client   | 31 December<br>2014 | Increase in<br>the current<br>year | Decrease in<br>the current<br>year | 31 December<br>2015 |
|--|---------------------|------------------------------------|------------------------------------|---------------------|
| Tianjin Hematonosis Hospital                             | -                   | 850,132.81                         | -                                  | 850,132.81          |
| Fuwai Hospital of CAMS                                   | -                   | 765,045.97                         | -                                  | 765,045.97          |
| General Hospital of Guangzhou<br>Military Command of PLA | -                   | 646,821.50                         | -                                  | 646,821.50          |
| Wu Han Union Hospital                                    | -                   | 460,498.02                         | -                                  | 460,498.02          |
| Shanghai Children's Medical<br>Center                    | 3,821,334.05        | -                                  | (3,821,334.05)                     | -                   |
| Beijing Anzhen Hospital                                  | 1,042,836.89        | 393,218.84                         | (1,042,836.89)                     | 393,218.84          |
| Xi Jing Hospital   | 456,000.00          | 287,318.07                         | (456,000.00)                       | 287,318.07          |
| Xinqiao Hospital, Third Military<br>Medical University   | 673,637.40          | -                                  | (673,637.40)                       | -                   |
| Beijing Huaxin Hospital                                  | -                   | 353,308.99                         | -                                  | 353,308.99          |
| West China Hospital of Sichuan<br>University             | 151,271.05          | 293,884.07                         | (151,271.05)                       | 293,884.07          |
| Kaifeng Disable Children<br>Rehabilitation Center        | 1,216,558.90        | -                                  | (1,216,558.90)                     | -                   |
| Others   | 1,231,360.70        | 3,626,276.75                       | (2,462,880.95)                     | 2,394,756.50        |
| Total  | 8,592,998.99        | 7,676,505.02                       | (9,824,519.24)                     | 6,444,984.77        |

#### 7 Employee benefits payable

| Items  | 31 December<br>2014 | Increase in<br>the current<br>year | Payment for the<br>current year | 31 December<br>2015 |
|--|---------------------|------------------------------------|---------------------------------|---------------------|
| Wages and salaries, bonus,<br>allowances and subsidies | -                   | 5,456,067.11                       | (5,080,184.80)                  | 375,882.31          |
| Social security contributions                          | 38,463.60           | 2,392,639.11                       | (2,243,462.73)                  | 187,639.98          |
| Including: Medical insurance                           | 7,624.80            | 664,136.33                         | (618,684.05)                    | 53,077.08           |
| Basic pensions   | 30,103.20           | 1,534,841.61                       | (1,441,371.29)                  | 123,573.52          |
| Supplementary<br>medical insurance                     | -                   | 55,270.00                          | (55,270.00)                     | -                   |
| Unemployment<br>insurance                              | 735.60              | 65,859.23                          | (61,342.81)                     | 5,252.02            |
| Work injury insurance                                  | -                   | 27,897.27                          | (25,690.57)                     | 2,206.70            |
| Maternity insurance                                    | -                   | 44,634.67                          | (41,104.01)                     | 3,530.66            |
| Housing funds  | 4,125.00            | 1,258,340.00                       | (1,262,465.00)                  | -                   |
| Total  | 42,588.60           | 9,107,046.22                       | (8,586,112.53)                  | 563,522.29          |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### V Notes to the financial statements (Cont'd)

#### 8 Taxes payable

| Item                          | 31 December 2014 | 31 December 2015 |
|-------------------------------|------------------|------------------|
| Individual income tax payable | 57,392.60        | 65,207.73        |
| Total                         | 57,392.60        | 65,207.73        |

#### 9 Net assets

| Item                 | 31 December<br>2014 | Increase in the<br>current year | Decrease in the<br>current year | 31 December<br>2015 |
|----------------------|---------------------|---------------------------------|---------------------------------|---------------------|
| Limited net assets   | 29,801,637.66       | 163,887,473.54                  | (119,968,724.01)                | 73,720,387.19       |
| Unlimited net assets | 194,898,407.54      | 112,406,050.04                  | (71,506,175.49)                 | 235,798,282.09      |
| Total                | 224,700,045.20      | 276,293,523.58                  | (191,474,899.50)                | 309,518,669.28      |

For the year ended 31 December 2015, net assets of the Foundation increased by RMB 84,818,624.08. The increase of net assets generated from the total revenue of RMB 276,293,523.58 (Limited revenue: RMB 163,887,473.54; Unlimited Revenue: RMB 112,406,050.04). The decrease of net assets generated from the total expenditure of RMB 191,474,899.50 (Donation expenditure: RMB 178,391,773.48; General and administrative expenses RMB 13,083,126.02).

#### 10 Revenue

| Item  | 2015           | 2014           |
|---|----------------|----------------|
| Revenue from donation                         | 267,035,913.23 | 202,794,179.38 |
| Government grants                             | 1,000,000.00   | 1,000,000.00   |
| Investment income - financial products income | 7,598,354.24   | 7,599,059.07   |
| Other income - interest income                | 659,256.11     | 364,924.28     |
| Total   | 276,293,523.58 | 211,758,162.73 |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### V Notes to the financial statements (Cont'd)

#### 10 Revenue (Cont'd)

##### (1) Revenue from large-amount donation

Companies and individuals with accumulative donation more than 5% of total revenue from donation of the Foundation and over RMB 5,000,000 in 2015 are listed below:

| Donor  | 2015           |               |                | Usage   |
|--|----------------|---------------|----------------|---|
|  | Limited        | Unlimited     | Sub-total      |   |
| 1. Li Jiajie and UBS OPTIMUS FOUNDATION Total            | 60,170,696.46  | -             | 60,170,696.46  | Aiyou Tongxin and Aiyou Tianshi   |
| 2. Minsheng Life Insurance Company Ltd                   | -              | 33,700,000.00 | 33,700,000.00  | Matters specified in the Articles of Association of the Foundation                      |
| 3. Tencent Foundation                                    | 12,630,912.31  | -             | 12,630,912.31  | Aiyou Tongxin and Aiyou Hekang  |
| 4. By-Health Co., Ltd.                                   | -              | 10,000,000.00 | 10,000,000.00  | Matters specified in the Articles of Association of the Foundation                      |
| 5. SF Foundation   | 10,000,000.00  | -             | 10,000,000.00  | Aiyou Tongxin and Aiyou Tianshi   |
| 6. Vanke Foundation                                      | 9,766,840.26   | -             | 9,766,840.26   | Aiyou Tongxin, Aiyou Xinsheng, Aiyou Yi+ and daily operation                            |
| 7. Alibaba Foundation                                    | 9,500,000.00   | -             | 9,500,000.00   | Aiyou Tongxin and Aiyou Xinsheng  |
| 8. TaiKang Life Insurance Co., LTD                       | -              | 9,000,000.00  | 9,000,000.00   | Matters specified in the Articles of Association of the Foundation                      |
| 9. Shen Peijin   | -              | 7,560,000.00  | 7,560,000.00   | Matters specified in the Articles of Association of the Foundation                      |
| 10. Shenzhen TCL Foundation                              | 4,000,000.00   | 3,500,000.00  | 7,500,000.00   | Matters specified in the Articles of Association of the Foundation as well as Aiyou Yi+ |
| 11. Beijing Zeus Interactive Co., Ltd.                   | -              | 6,500,000.00  | 6,500,000.00   | Matters specified in the Articles of Association of the Foundation                      |
| 12. Tianjin Happy Times Technology Development Co., Ltd. | -              | 6,500,000.00  | 6,500,000.00   | Matters specified in the Articles of Association of the Foundation                      |
| 13. Ai You (HK) Foundation                               | 6,055,164.33   | -             | 6,055,164.33   | Aiyou Xinsheng  |
| 14. Foshan South Sea Wanda Plaza Co., Ltd.               | -              | 5,000,000.00  | 5,000,000.00   | Matters specified in the Articles of Association of the Foundation                      |
| Total  | 112,123,613.36 | 81,760,000.00 | 193,883,613.36 |   |



# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
(English translation for reference only)

### V Notes to the financial statements (Cont'd)

#### 10 Revenue (Cont'd)

##### (1) Revenue from large-amount donation (Cont'd)

Companies and individuals with accumulative donation more than 5% of total revenue from donation of the Foundation and over RMB 5,000,000 in 2014 are listed below:

| Donor  | 2014          |               |                | Usage   |
|--|---------------|---------------|----------------|---|
|  | Limited       | Unlimited     | Sub-total      |   |
| 1. Li Jiajie and UBS OPTIMUS FOUNDATION Total          | 49,539,051.37 | -             | 49,539,051.37  | Aiyou Tongxin   |
| 2. Ma Huateng  | -             | 10,868,589.82 | 10,868,589.82  | Matters specified in the Articles of Association of the Foundation                          |
| 3. Dongguan East City Wanda Plaza Investment Co., Ltd. | -             | 10,000,000.00 | 10,000,000.00  | Matters specified in the Articles of Association of the Foundation                          |
| 4. Beijing Chang Ce Tian Cheng P.R. Planning Co., Ltd. | 10,000,000.00 | -             | 10,000,000.00  | Aiyou Xinsheng  |
| 5. Zhejiang Tmall Technology Co., Ltd.                 | 10,000,000.00 | -             | 10,000,000.00  | Aiyou Tongxin, Aiyou Xinsheng and daily operation   |
| 6. Tencent Foundation                                  | 9,870,349.52  | -             | 9,870,349.52   | Aiyou Tongxin, Aiyou Xinsheng and Aiyou Hekang  |
| 7. Beijing Huiyuan Food & Beverage Co., Ltd.           | -             | 8,000,000.00  | 8,000,000.00   | Matters specified in the Articles of Association of the Foundation                          |
| 8. Vanke Foundation                                    | 7,890,647.72  | -             | 7,890,647.72   | Aiyou Tongxin, Aiyou Xinsheng and daily operation   |
| 9. Li Yanhong  | -             | 6,000,000.00  | 6,000,000.00   | Matters specified in the Articles of Association of the Foundation                          |
| 10. Shanghai Luo Lai Investment Holding Co., Ltd.      | 2,000,000.00  | 3,000,000.00  | 5,000,000.00   | Birth defects as well as matters specified in the Articles of Association of the Foundation |
| 11. Changsha Kai Fu Wanda Plaza Investment Co., Ltd.   | -             | 5,000,000.00  | 5,000,000.00   | Matters specified in the Articles of Association of the Foundation                          |
| 12. SF Foundation                                      | 5,000,000.00  | -             | 5,000,000.00   | Aiyou Tongxin and Aiyou Tianshi   |
| Total  | 94,300,048.61 | 42,868,589.82 | 137,168,638.43 |   |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### V Notes to the financial statements (Cont'd)

#### 11 Expenditure related to donation

| Item                 | 2015           | 2014           |
|----------------------|----------------|----------------|
| Aiyou Tongxin        | 106,830,465.03 | 90,022,551.97  |
| Aiyou Xinsheng       | 40,430,727.59  | 42,205,184.03  |
| Aiyou Hekang         | 7,925,212.19   | 4,900,000.00   |
| Aiyou Tianshi        | 14,055,447.27  | 12,516,526.33  |
| Aiyou Yaan           | -              | 2,455,367.76   |
| Aiyou Yi+            | 9,039,921.40   | 2,200,000.00   |
| Other Aiyou projects | 110,000.00     | 196,000.00     |
| Total                | 178,391,773.48 | 154,495,630.09 |

#### 12 General and administrative expenses

| Item  | 2015          | 2014         |
|---|---------------|--------------|
| 1. Employee benefits                          | 9,107,046.22  | 4,998,421.14 |
| 2. Expense for operating supplies and service | 3,976,079.80  | 2,702,085.32 |
| Total   | 13,083,126.02 | 7,700,506.46 |

Total general and administrative expenses of the Foundation in 2015 amounted to RMB 13,083,126.02, 6.83% of total expenditure.

Total general and administrative expenses of the Foundation in 2014 amounted to RMB 7,700,506.46, 4.75% of total expenditure.

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### VI Notes to the council members, employee and employee benefit

#### 1. Name list of council members

| No. | Position                       | Name           | Attribution                                       | Paid by the Foundation or not |
|-----|--------------------------------|----------------|---|-------------------------------|
| 1   | President                      | Wang Bing      | Ding Tian Asset Management Co., LTD               | Not                           |
| 2   | Vice President                 | Li Jiajie      | Hong Kong Henderson Land Group                    | Not                           |
| 3   | Vice President                 | Ma Huateng     | Tencent Company                                   | Not                           |
| 4   | Director and secretary-general | Geng Yuan      | Ai You Foundation                                 | Yes                           |
| 5   | Director                       | Cao Guowei     | Sina Net  | Not                           |
| 6   | Director                       | Chen Xiao      | Shanghai Ting Chao Investment Consulting Co., LTD | Not                           |
| 7   | Director                       | Feng Lun       | Vantone Investment Holding Co., LTD               | Not                           |
| 8   | Director                       | Jiang Nanchun  | Focus Media (China) Holding Ltd.                  | Not                           |
| 9   | Director                       | Li Yanhong     | Baidu Corporation                                 | Not                           |
| 10  | Director                       | Ma Yun         | Alibaba   | Not                           |
| 11  | Director                       | Shen Guojun    | China Yintai Investment Limited                   | Not                           |
| 12  | Director                       | Shi Yuzhu      | Shanghai Giant Network Technology Co., LTD        | Not                           |
| 13  | Director                       | Yu Feng        | Yunfeng Capital                                   | Not                           |
| 14  | Director                       | Yu Liang       | China Vanke Co., LTD                              | Not                           |
| 15  | Director                       | Zhu Xinli      | Beijing Huiyuan Beverage Food Group Co., LTD      | Not                           |
| 16  | Director                       | Chen Dongsheng | TaiKang Life Insurance Co., LTD                   | Not                           |
| 17  | Director                       | Tian Suning    | China Broadband Capital Partners                  | Not                           |
| 18  | Director                       | Guo Guangchang | Fosun Group                                       | Not                           |
| 19  | Director                       | Yu Minhong     | New Oriental Education & Technology Group         | Not                           |
| 20  | Director                       | Li Dongsheng   | TCL Group   | Not                           |
| 21  | Director                       | Lu Weiding     | Minsheng Life Insurance Company Ltd               | Not                           |

2. The Foundation had 39 employees in total in the current year, up by 6 as compared to the prior year. In 2014, Salary paid to employees amounted to RMB 3,019,098.29 with an average monthly salary of RMB 7,623.99. In 2015, Salary paid to employees amounted to RMB 5,456,067.11 with an average monthly salary of RMB 11,658.26.

### VII Notes to the proportion of expenditure related to donation, employee benefits and general administrative expenses

The net assets at 31 December 2014 amounted to RMB 224,700,045.20. Total expenditure related to donation of 2015 amounted to RMB 178,391,773.48, 79.39% of net assets at 31 December 2014. Total expenses of 2015 amounted to RMB 13,083,126.02, all of which were expense for operating supplies and service, accounting to 6.83% of total expenditure of 2015.

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### VIII Notes to significant public projects

#### 1. Revenue and expenditure of significant public projects in 2015

| Projects          | Revenue for the current year | Expenditure for the current year              |               |                |            |                |
|-------------------|------------------------------|---|---------------|----------------|------------|----------------|
|                   |                              | Direct expenditure related to public projects |               |                |            | Total          |
|                   |                              | Direct expenditure to recipients              | Asset use fee | Travel expense | Others     |                |
| 1. Ai You Tongxin | 90,859,321.64                | 106,096,641.46                                | 317,987.38    | 68,365.10      | 347,471.09 | 106,830,465.03 |
| 2. Aiyou Xinsheng | 34,063,994.90                | 40,358,124.99                                 | -             | 72,602.60      | -          | 40,430,727.59  |
| 3. Aiyou Hekang   | 6,511,000.00                 | 7,384,151.71                                  | -             | -              | 541,060.48 | 7,925,212.19   |
| 4. Aiyou Tianshi  | 5,330,000.00                 | 14,055,447.27                                 | -             | -              | -          | 14,055,447.27  |
| 5. Aiyou Yi+      | 9,330,106.59                 | 8,944,963.90                                  | -             | -              | 94,957.50  | 9,039,921.40   |
| Total             | 146,094,423.13               | 176,839,329.33                                | 317,987.38    | 140,967.70     | 983,489.07 | 178,281,773.48 |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

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### Notes to significant public projects (Cont'd)

#### 2. Large payments of significant public projects

| Projects          | Usage                                  | Recipient   | Amount        | % of the significant public project expenditure | % of total expenditure |
|-------------------|--|---|---------------|---|------------------------|
| 1. Ai You Tongxin | Treatment for ill children             | General Hospital of Guangzhou Military Command of PLA                     | 14,190,659.57 | 13.28%  | 7.95%                  |
|                   |  | Fuwai Hospital of CAMS  | 11,214,110.10 | 10.50%  | 6.29%                  |
| 2. Aiyou Xinsheng | Treatment for ill children<br>Donation | Beijing Anzhen Hospital   | 7,951,993.49  | 7.44%   | 4.46%                  |
|                   |  | Shanghai Children's Medical Centre  | 6,342,091.15  | 15.69%  | 3.56%                  |
|                   |  | Beijing Chunmiao Save the Children Service & Communication Centre         | 3,900,000.00  | 9.65%   | 2.19%                  |
|                   |  | Aiyou & FAW – Volkswagen & Audi Shanghai Baby Home                        | 3,000,000.00  | 7.42%   | 1.68%                  |
|                   |  | Kaifeng Disable Children Rehabilitation Centre                            | 2,850,000.00  | 7.05%   | 1.60%                  |
| 3. Aiyou Hekang   | Donation                               | Chongqing Children Welfare Association                                    | 2,359,827.00  | 5.84%   | 1.32%                  |
|                   |  | Guangzhou Children Welfare Association                                    | 2,082,470.80  | 5.15%   | 1.17%                  |
|                   |  | Xi'an Children Welfare Association  | 2,024,222.40  | 5.01%   | 1.13%                  |
|                   |  | Hubei Wuhan Ai You Hekang Linjie Children's rehabilitation Centre         | 3,100,000.00  | 39.12%  | 1.74%                  |
|                   |  | Beijing Ai You Hekang Children's rehabilitation Centre                    | 2,800,000.00  | 35.33%  | 1.57%                  |
| 4. Aiyou Tianshi  | Treatment for ill children             | Disabled persons rehabilitation research center of Hunan Province         | 1,464,759.30  | 18.48%  | 0.82%                  |
|                   |  | CAMS Hematology Hospital (Institute of Hematology)                        | 4,405,039.25  | 31.34%  | 2.47%                  |
|                   |  | Beijing Children's Hospital   | 4,247,573.64  | 30.22%  | 2.38%                  |
|                   |  | Wu Han Union Hospital   | 1,254,210.25  | 8.92%   | 0.70%                  |
|                   |  | Guangdong Provincial People's Hospital                                    | 1,155,709.69  | 8.22%   | 0.65%                  |
| 5. Aiyou Yi+      | Donation                               | Capital Institute of Pediatrics   | 882,384.06    | 6.28%   | 0.49%                  |
|                   |  | Children's Hospital, Zhejiang University of Medicine                      | 775,743.97    | 5.52%   | 0.43%                  |
|                   |  | West China Second Hospital, Sichuan University                            | 756,055.78    | 5.38%   | 0.42%                  |
|                   |  | Shanghai United Foundation  | 2,300,000.00  | 25.44%  | 1.29%                  |
|                   |  | - Shanghai Daorong Nature Conservation and Sustainable Development Center | 400,000.00    | 4.42%   | 0.22%                  |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### Notes to significant public projects (Cont'd)

#### 2. Large payments of significant public projects (Cont'd)

| Projects     | Usage    | Recipient  | Amount        | % of the significant public project expenditure | % of total expenditure |
|--------------|----------|--|---------------|---|------------------------|
| 5. Aiyou Yi+ | Donation | -- Shanghai Four-leaf Clover Caring Centre of Rare Disease Family      | 600,000.00    | 6.64%   | 0.34%                  |
|              |          | -- Shanghai Pudong New District Pugongying Children Development Centre | 300,000.00    | 3.32%   | 0.17%                  |
|              |          | -- Shanghai Pudong Hand-in-Hand Life Care Developing Centre            | 300,000.00    | 3.32%   | 0.17%                  |
|              |          | -- Shanghai Xintu Centre for Community Health Promotion                | 300,000.00    | 3.32%   | 0.17%                  |
|              |          | -- Shanghai Legal Centre for NGO                                       | 400,000.00    | 4.42%   | 0.22%                  |
|              |          | Guangzhou Beida Boya Social Work Resource Centre                       | 800,000.00    | 8.85%   | 0.45%                  |
|              |          | Rural Women Development Foundation Guangdong                           | 603,356.00    | 6.67%   | 0.34%                  |
|              |          | -- Guangzhou Fa Ze City & Charity Research Centre                      | 300,000.00    | 3.32%   | 0.17%                  |
|              |          | -- Rural Women Development Foundation Guangdong                        | 303,356.00    | 3.36%   | 0.17%                  |
|              |          |  | 80,460,206.45 |   | 45.10%                 |
| <b>Total</b> |          |  |               |   |                        |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### IX Related parties and related party transactions

#### 1 Significant related parties

| Name of related parties   | Relationship with the Foundation                                     |
|---|--|
| Wang Bing   | Legal representative, president, founder and donor of the Foundation |
| Li Jiajie   | Major donor and vice president                                       |
| Ma Huateng  | Major donor and vice president                                       |
| UBS OPTIMUS FOUNDATION  | Major donor  |
| Tencent Foundation  | Major donor  |
| Ai you (HK) Foundation  | Share two same directors with the Foundation                         |
| Shenzhen Ai You Hekang Children's rehabilitation Center           | Share a same director with the Foundation                            |
| Beijing Ai You Hekang Children's rehabilitation Center            | Share a same director with the Foundation                            |
| Ningxia Ai You Hekang Children's rehabilitation Center            | Share a same director with the Foundation                            |
| Hubei Wuhan Ai You Hekang Linjie Children's rehabilitation Center | Share a same director with the Foundation                            |

#### 2 Related party transactions

| Name of related parties   | Amount        | Nature of transaction |
|---|---------------|-----------------------|
| Wang Bing   | 3,800,000.00  | Donation Received     |
| Li Jiajie and UBS OPTIMUS FOUNDATION                              | 60,170,696.46 | Donation Received     |
| Tencent Foundation  | 12,630,912.31 | Donation Received     |
| Ai you (HK) Foundation  | 6,055,164.33  | Donation Received     |
| Beijing Ai You Hekang Children's rehabilitation Center            | 2,800,000.00  | Donation expenditure  |
| Hubei Wuhan Ai You Hekang Linjie Children's rehabilitation Center | 3,100,000.00  | Donation expenditure  |

#### 3 Receivables from and payables to related parties

| Name of entity  | 31 December 2014 |                         |                  | 31 December 2015 |                         |                  |
|---|------------------|-------------------------|------------------|------------------|-------------------------|------------------|
|   | Amount           | Provision for bad debts | % of total value | Amount           | Provision for bad debts | % of total value |
| Other receivables:  |                  |                         |                  |                  |                         |                  |
| Hubei Wuhan Ai You Hekang Linjie Children's rehabilitation Center | 632,289.50       | -                       | -                | -                | -                       | -                |

# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### X Detailed list of fixed assets

| Name                            | Source   | Date             | Unit | Quantity | Unit price | Amount     | Purpose  | Remark |
|---------------------------------|----------|------------------|------|----------|------------|------------|----------|--------|
| HP ML350 server                 | Purchase | 5 December 2014  | Tai  | 1        | 35,780.00  | 35,780.00  | Self-use |        |
| Lenovo B4400A 14-inch laptop    | Purchase | 28 February 2015 | Tai  | 1        | 3,999.00   | 3,999.00   | Self-use |        |
| HP 14-inch laptop               | Purchase | 28 February 2015 | Tai  | 1        | 2,949.00   | 2,949.00   | Self-use |        |
| Lenovo G40-70MA laptop          | Purchase | 31 March 2015    | Tai  | 1        | 3,749.00   | 3,749.00   | Self-use |        |
| Lenovo I1000laptop              | Purchase | 31 March 2015    | Tai  | 1        | 4,399.00   | 4,399.00   | Self-use |        |
| Dell desktop computer           | Purchase | 31 March 2015    | Tai  | 1        | 2,999.00   | 2,999.00   | Self-use |        |
| Lenovo laptop                   | Purchase | 31 March 2015    | Tai  | 1        | 3,699.00   | 3,699.00   | Self-use |        |
| Lenovo laptop                   | Purchase | 30 April 2015    | Tai  | 1        | 6,299.00   | 6,299.00   | Self-use |        |
| Lenovo laptop                   | Purchase | 31 May 2015      | Tai  | 1        | 4,499.00   | 4,499.00   | Self-use |        |
| Lenovo laptop                   | Purchase | 31 May 2015      | Tai  | 2        | 4,399.00   | 8,798.00   | Self-use |        |
| Fixed asset E450C               | Purchase | 30 June 2015     | Tai  | 1        | 4,499.00   | 4,499.00   | Self-use |        |
| Lenovo E450C laptop             | Purchase | 30 June 2015     | Tai  | 2        | 4,099.00   | 8,198.00   | Self-use |        |
| Projector                       | Purchase | 30 June 2015     | Tai  | 1        | 2,899.00   | 2,899.00   | Self-use |        |
| Lenovo V3000 laptop             | Purchase | 30 June 2015     | Tai  | 1        | 4,499.00   | 4,499.00   | Self-use |        |
| Samsung 19-inch display         | Purchase | 31 July 2015     | Tai  | 3        | 689.00     | 2,067.00   | Self-use |        |
| Duplicator                      | Purchase | 31 July 2015     | Tai  | 1        | 6,800.00   | 6,800.00   | Self-use |        |
| Face recognition entrance guard | Purchase | 30 November 2015 | Tai  | 1        | 4,100.00   | 4,100.00   | Self-use |        |
| TCL LCD TV                      | Purchase | 30 November 2015 | Tai  | 1        | 5,999.00   | 5,999.00   | Self-use |        |
| Samsung curve display           | Purchase | 30 November 2015 | Tai  | 1        | 1,359.00   | 1,359.00   | Self-use |        |
| Call-centre system              | Purchase | 30 November 2015 | Tai  | 1        | 34,000.00  | 34,000.00  | Self-use |        |
| Power supply in machine room    | Purchase | 31 December 2015 | Tai  | 1        | 8,600.00   | 8,600.00   | Self-use |        |
| Benq projector                  | Purchase | 31 December 2015 | Tai  | 1        | 4,299.00   | 4,299.00   | Self-use |        |
| Xbox One                        | Purchase | 31 December 2015 | Tai  | 1        | 3,799.00   | 3,799.00   | Self-use |        |
| Total                           |          |                  |      |          |            | 168,288.00 |          |        |



# AI YOU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

### XI Operating lease commitments

| Item          | 31 December 2015 |
|---------------|------------------|
| Within 1 year | 3,261,210.36     |
| 1 to 2 years  | 3,261,210.36     |
| 2 to 3 years  | 2,717,675.30     |
| Total         | 9,240,096.02     |

### XII Notes to limited assets

The Foundation received limited donation amounted to RMB 161,894,423.13 in 2015, all came from donation of individuals or companies. The Foundation made use of those assets according to the contracts.

### XIII Notes to entrusted assets

The Foundation had no entrusted asset as at 31 December 2015.

### XIV Notes to impairment of significant assets

Not applicable (the Foundation had no impairment of asset for the year ended 2015).

### XV Notes to assets with unavailable fair value

The Foundation had no assets with unavailable fair value as at 31 December 2015.

### XVI Notes to labour service donation

The Foundation received no labour service donation for the year ended 2015.

### XVII Notes to significant subsequent events

The Foundation had no significant subsequent event.

### XVIII Others

The Foundation had no other issue need to be specified as at 31 December 2015.

**AI YOU FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

The above financial statements of the Foundation for the year ended 31 December 2015 are in compliance with the *Accounting Standards for Non-profit Organization*.

Name of the Foundation: (Signature)

Legal representative of the Foundation: (Signature)

Date: 31th March, 2016

Financial administrator: (Signature)

Date: 31th March, 2016

**AI YOU FOUNDATION**

**SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT**

[English translation for reference only]

**AI YOU FOUNDATION**

**SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

- General information
- Financial position
- Financial related information of the Foundation

## **AI YOU FOUNDATION**

### **SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT**

[English translation for reference only]

#### **1 General information**

The social credit code of Ai You Foundation is 531000005000210435. On 6 May 2008, the Ministry of Civil Affairs of the PRC approved the issuance of legal person registration certificate to the Foundation, with Wang Bing serving as the legal person. The address of the Foundation is Room 2408, 24/F, Kun Tai International Building, B12 Chaowai Avenue, Chaoyang District, Beijing. The Foundation is a non-public offering foundation with the original fund of RMB 20 million under the regulation of the Ministry of Civil Affairs, and has not established any branch as at 31 December 2015.

#### **2 Financial position**

1. Ai You Foundation had total assets of RMB 316,592,384.07 as at 31 December 2015, of which cash at bank and on hand accounted for RMB 310,580,023.83, and receivables accounted for RMB 4,425,302.59 (including other receivables: RMB 4,425,302.59)

2. Ai You Foundation had total liabilities of RMB 7,073,714.79 as at 31 December 2015 that were all classified as current liabilities.

3. Ai You Foundation had total net assets of RMB 309,518,669.28 as at 31 December 2015 including limited net assets of RMB 73,720,387.19 and unlimited net assets of RMB 235,798,282.09.

4. The annual revenue of Ai You Foundation for the year ended 31 December 2015 was RMB 276,293,523.58, of which revenue from donation accounted for RMB 267,035,913.23, government grants accounted for RMB 1,000,000.00, investment income accounted for RMB 7,598,354.24 and other income accounted for RMB 659,256.11.

The annual expenses of Ai You Foundation for the year ended 31 December 2015 were RMB 191,474,899.50 including expenditure related to donation of RMB 178,391,773.48 and general administrative expenses of RMB 13,083,126.02.

5. The expenditure related to donation of Ai You Foundation for the year ended 31 December 2015 was RMB 178,391,773.48, accounting for 79.39% of fund balance of the prior year, which was RMB 224,700,045.20; general administrative expenses comprised labour cost, administrative and office expenses and professional service expenses, amounting to RMB 13,083,126.02, 6.83% of the total expenses for the current year.

# AI YOU FOUNDATION

## SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT

[English translation for reference only]

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### Financial related information of the Foundation

31 December 2015

|   |  |   |                       |
|---|--|---|-----------------------|
| Name  | Ai You Foundation  |   |                       |
| Social credit code  | 531000005000210435   |   |                       |
| Address   | Room 2408, 24/F,<br>Kun Tai International<br>Building, B12<br>Chaowai Avenue,<br>Chaoyang District,<br>Beijing | Registration date   | 06 May 2008           |
| Phone   | +86 (10) 50948839  | Zip code  | 100020                |
| Legal person  | Wang Bing  | Main fund source  | Revenue from donation |
| Deposit bank  | Vantone Centre Branch of the CMBC  |   |                       |
| Bank account  | 110908540910703  |   |                       |
| Name of financial institution   | Finance department   | Phone   | 18611557220           |
| Name of accountant  | Zhang Qianqian   | Full-time or part-time                                    | Full-time             |
| Name of agency bookkeeping institution  | -  | Name of chief executive of agency bookkeeping institution | -                     |
| Tax registration number   | Jing Shui Zheng Zi No.110105500021043  |   |                       |
| Branches and representative institutions with bank accounts and their deposit banks and corresponding bank accounts | -  |   |                       |
| Entity  | The foundation has no subordinate entities.  |   |                       |