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.]

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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

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[English Translation for Reference Only]

Report of the Auditors

PwC ZT Beijing Shen Zi (2016) No. 897

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.

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	Accurals	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 Liabilitis	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 Liabilites and Net Assets	43	233,393,025.39	316,592,384.07

Income Statements

Ai You Foundation | For The Year Ended 31 December 2015 | Unit:RMB Yuan

Items	Line No.	2014			2015		
		Unlimited	Limited	Total	Unlimited	Limited	Total
Revenue							
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 sevice	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
TOTAL REVENUE	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
Expenditure							
Donation Expendure	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	-	-	-	-	-	-
TOTAL EXPENDITURE	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)	-
Net increase in net assets	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

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).

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:

Category of assets	Estimated useful lives	Estimated residual value	Annual depreciation rates
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.

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.

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

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

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 2014	Increase in the current period	Decrease in the current period	31 December 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 depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying 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 2014	Increase in the current year	Amortisation charged in the current year	31 December 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 2014	Increase in the current year	Decrease in the current year	31 December 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

V Notes to the financial statements (Cont'd)

6 Payables (Cont'd)

Major clients of payables:

Client	31 December 2014	Increase in the current year	Decrease in the current year	31 December 2015
Tianjin Hematonosis Hospital	-	850,132.81	-	850,132.81
Fuwai Hospital of CAMS	-	765,045.97	-	765,045.97
General Hospital of Guangzhou Military Command of PLA	-	646,821.50	-	646,821.50
Wu Han Union Hospital	-	460,498.02	-	460,498.02
Shanghai Children's Medical 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 Medical University	673,637.40	-	(673,637.40)	-
Beijing Huaxin Hospital	-	353,308.99	-	353,308.99
West China Hospital of Sichuan University	151,271.05	293,884.07	(151,271.05)	293,884.07
Kaifeng Disable Children 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 2014	Increase in the current year	Payment for the current year	31 December 2015
Wages and salaries, bonus, 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 medical insurance	-	55,270.00	(55,270.00)	-
Unemployment 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

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 2014	Increase in the current year	Decrease in the current year	31 December 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

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:

	2015			
Donor	Limited	Unlimited	Sub-total	Usage
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	

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:

	2014			
Donor	Limited	Unlimited	Sub-total	Usage
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	

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.

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.

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 to recipients	Direct expenditure related to public projects				
			Asset use fee	Travel expense	Others	Sub-total	Total
1. Ai You Tongxin	90,859,321.64	106,096,641.46	317,987.38	68,365.10	347,471.09	733,823.57	106,830,465.03
2. Aiyou Xinsheng	34,063,994.90	40,358,124.99	-	72,602.60	-	72,602.60	40,430,727.59
3. Aiyou Hekang	6,511,000.00	7,384,151.71	-	-	541,060.48	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	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	1,442,444.15	178,281,773.48

VIII 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%
		Beijing Anzhen Hospital	7,951,993.49	7.44%	4.46%
2. Aiyou Xinsheng	Treatment for ill children	Shanghai Children's Medical Centre	6,342,091.15	15.69%	3.56%
	Donation	Beijing Chunmiao Save the Children Service & Communication Centre	3,900,000.00	9.65%	2.19%
		Aiyou & FAW – Volkswage & 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%
		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%
3. Aiyou Hekang	Donation	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%
		Disabled persons rehabilitation research center of Hunan Province	1,464,759.30	18.48%	0.82%
4. Aiyou Tianshi	Treatment for ill children	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%
		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%
5. Aiyou Yi+	Donation	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%

VIII 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%
Total			80,460,206.45		45.10%

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

	31 December 2014			31 December 2015		
Name of entity	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	-	-	-	-	-

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		

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.

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 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 53100000500021043S. 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.

SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT

[English translation for reference only]

3 Financial related information of the Foundation

31 December 2015

Name	Ai You Foundation		
Social credit code	531000005000210435		
Address	Room 2408, 24/F, Kun Tai International Building, B12 Chaowai Avenue, Chaoyang District, 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.		