

给生命一次机会，给孩子一个未来

AIYOU

HEART
FOREVER
YOUTHFUL
AND PURE

Annual

2020
年度报告

report



爱佑慈善基金会
AI YOU FOUNDATION



Our Mission :

A Chance for Life, A Future for Children.

Our Values :

Equality Integrity Responsibility
Innovation Cooperation Science

Brand Ideal : Heart Forever Youthful and Pure

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IMPACT REPORT



*THE YEAR 2020 HAD
KICK-STARTED A BRAND
NEW DECADE. EVEN
THOUGH BEGINNINGS
INSPIRE HOPE AND
POSSIBILITIES, THE
PAST YEAR HAD BEEN
AN ARDUOUS JOURNEY
FOR ALL.*

LETTER FROM THE FOUNDER

Confronted with the public health crisis, philanthropy was faced with novel challenges, yet it continued with renewed strength. In response to the initial outbreak, Ai You initiated and executed its “COVID-19 Medical Assistance” program, receiving widespread acclaim among recipient hospitals and medical teams deployed in the province of Hubei. Demanding times call for tremendous effort in the public welfare sector. Nonetheless, under geographic and temporal restrictions posed by the pandemic, the key to effective action lies not in the *what*, but in the *how*.

Prior to the outbreak, Ai You Child Health had a total of 3 partner hospitals in Hubei. Yet, the “COVID-19 Medical Assistance” program had drastically expanded Ai You’s coverage in the province, extending assistance toward 23 local front-line hospitals, as well as 14 anti-epidemic medical teams comprised of 20,000 front-line medical workers. Over a decade of experience in the area of child health had allowed Ai You to respond to crises with timeliness, systematicity, legality, and effectiveness. Following the devastating Wenchuan earthquake of 2008, China’s public welfare sector had entered a period of rapid development. By the same token, the challenges of 2020 will undoubtedly push Chinese philanthropy toward increased professionalism and systematicity.

Public welfare is a “slow industry”, as professionalism and systematicity require the gradual accumulation of experience. In the meantime, it is a “fast industry”, as the rapid transformation of digital and intelligent technologies has necessitated increased digitalization.

Apart from providing direct assistance for those in need, a scientific approach to public welfare strives to address the underlying issues. Ai You’s programs consist of Ai You Child Health and Ai You Child Welfare. In the former, Ai You Child Health’s systematicity has long been

paradigmatic within the public welfare sector. By aiding professional development and general advancement of the healthcare industry, Ai You has helped realize “local hospitalization”. By providing humanistic care, Ai You has accompanied its recipient families through every step of the way. In the latter, Ai You Child Welfare has been simultaneously expanding its geographic coverage and incorporating an increasing number of disease types. Consequently, Ai You has achieved an internal ecosystem of mutually supportive resources, a dynamic exemplified by Ai You Reborn—Medical Nursing Program for Orphans. Additionally, Ai You Comfort Life, winner of the 2020 China Charity Award, has helped children living in difficulties meet their basic needs, emotional needs, as well as further their hygienic and medical wellbeing.

In the post-COVID era, the normalization of public health measures will necessitate innovative transformations in the public welfare sector. Against a backdrop of widespread adoption of digital technologies, Ai You strives to leverage its experience and lead digitalization in philanthropy. To further increase transparency, Ai You places digitalization in the foreground. By establishing data-driven fundraising, program management, administration, fund management, and donor services, as well as incorporating block-chain technologies into philanthropy, Ai You aims to foster a climate of security within the public welfare sector.

Post-COVID philanthropy should refrain from focusing narrowly on current woes. Rather, it would pay dividends to plan for long-term development. The achievement of anti-poverty goals in 2020 can be partially attributed to our colleagues in philanthropy. Having now been incorporated under the social security system, philanthropy should strive to pioneer innovation, strengthen its connection with society, bolster public confidence, and act with warmth, reason, and vigor.

ABOUT AI YOU FOUNDATION

Established in 2004, Ai You Foundation (Ai You) is a national 5-A grade foundation with public fundraising certificate, initiated, managed and operated by entrepreneurs. Over the course of our development, we have devised a systematic professional model in the field of child assistance, engaged actively with the public, and experimented with novel solutions in both child health and child welfare. Ai You has received four China Charity Awards and has been designated a National Advanced Social Organization by the Ministry of Civil Affairs. Additionally, we ranked first on Forbes China's Top Charities list, received the Charity Organization Award from Responsible China, and, for multiple times, achieved perfect scores in the China Foundation Transparency Index.

In the field of child health, Ai You has focused on offering medical assistance to disadvantaged children for years. Through the continuous upgrading of methodologies, Ai You Child Health targets three core issues faced by children with serious diseases from underserved families—"Can't Afford", "Can't Be Healed", and "Great Sufferings". In collaboration with top medical institutions across the country, our three child health programs—Ai You Young Heart, Ai You Angel, and Ai You Morning Star—have addressed "Can't Afford" and provided medical assistance for over 70,000 children as of December 2020. Aware of gaps in healthcare development between different levels of jurisdictions, Ai You has designed a three-level medical intervention system, which adapts its assistance programs based on the distinct needs of primary-level, provincial, and national-level medical institutions. By improving the quality of healthcare services, Ai You's three-level medical intervention system seeks to address "Can't be Healed" and realize "local hospitalization for children with serious illnesses." Committed to the ideal of "patient and family-centered care", we have also established a number of Ai You Playrooms that bring together social workers, patients, and their families. By attending to the emotional,

developmental, and familial needs of children undergoing treatments, we hope to ease the "Great Sufferings", both physically and psychologically.

In the field of child welfare, Ai You Child Welfare targets orphans, de facto orphans, as well as children living in difficulties. By improving the quality of nursing services for orphans, providing supportive nursing services for de facto orphans, and extending schooling support to children living in difficulties, we hope to enable them to take on a new lease of life and a promise for a better future. As of December 2020, Ai You had provided care for over 13,000 sick orphans. Our child welfare service and child right and interest protection platform, composed of government departments, social organizations, donors, and other parties, had provided life and emotional support for almost 4,000 children.

Since its inception, Ai You has begun a process of datamation. After more than ten years of iterations, we have realized digitalization from application to program execution, and from fundraising to fund management. By perfecting the intelligent processing of online applications, we aim to further enhance efficiency. Additionally, the incorporation of blockchain technologies and donors' account system have massively improved the transparency of the Foundation, making every donation traceable from source to use.

"A Chance for Life, A Future for Children." Ai You has consistently adhered to professionalism and standardization, pursuing transparent charity and measurable results. Through the constant exploration of systematic solutions to social problems, as well as the diverse range of projects and unique philanthropic methodologies, Ai You seeks to make a more diversified contribution to China's public welfare sector.



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PROGRAM REPORT



| THE FIGHT AGAINST COVID-19

In response to the outbreak of COVID-19, Ai You promptly initiated its "COVID-19 Medical Assistance" program, which consists of both short-term medical assistance and long-term post-epidemic support programs. Having raised over 80 million yuan and distributed 181,301 anti-epidemic items, Ai You has extended support to 23 local hospitals, 14 medical teams deployed in the province of Hubei, and over 20,000 frontline medical workers. In the meantime, Ai You Child Welfare launched an emergency relief program for children affected by the outbreak, extending temporary assistance to 1,120 families who lost their sources of income as a result of the outbreak.



PROGRAM
REPORT

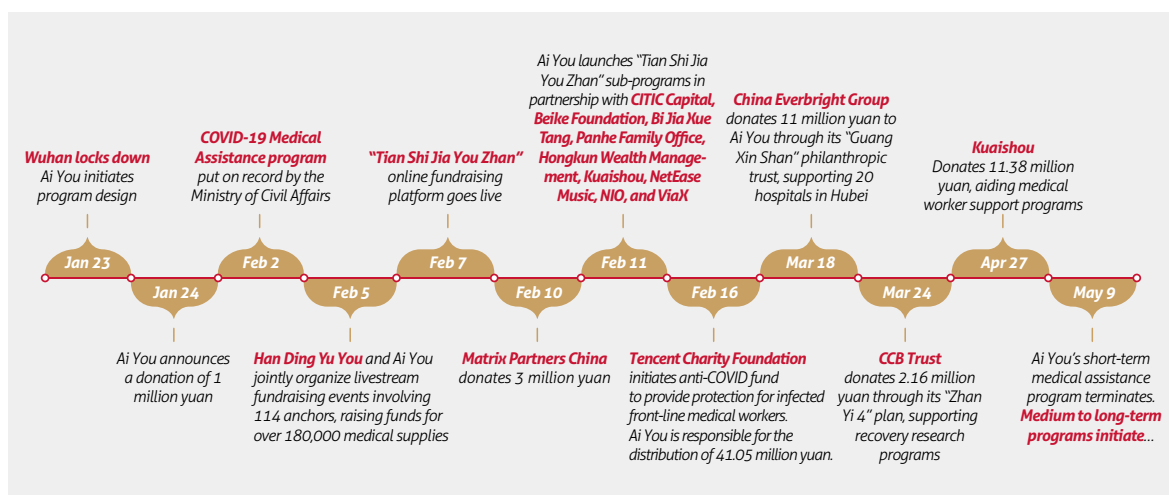
COVID-19 MEDICAL ASSISTANCE

1. Rapid response

Ai You initiated preparations for an epidemic response well before the outbreak became nation-wide. Thanks to over a decade of experience in the field of child health, Ai You quickly understood the demands of hospitals and designed its medical assistance programs accordingly. Attentive to seven key areas of consideration—fundraising, collaboration with medical institutions, program design, execution efficiency, digitalization,

transparency, and legality—Ai You sought to address them both individually and collectively.

Additionally, Ai You rapidly coordinated resources and launched anti-epidemic programs on public fundraising platforms. In the meantime, Ai You reached out to its long-term corporate partners and initiated a number of anti-epidemic sub-programs. Finally, Ai You also mobilized the celebrity community, organizing fundraising on platforms such as Taobao and Kuaishou.



2. Rapid implementation

Despite constraints posed by the epidemic, Ai You's reputability and its mutual trust with medical institutions allowed it to initiate emergency collaboration mechanisms in the early stages of the epidemic. Through the one-on-one pairing of the Foundation vis-à-vis hospitals, we were able to channel the love from the broader community directly to frontline medical workers.



3. Program results

Over the course of the epidemic, frontline medical workers operated under high-risk and high-intensity working conditions. In comparison with their dedication and sacrifice, however, the material and spiritual support provided for these frontline workers were clearly lacking. The "Ai You COVID-19 Medical Assistance" program was intended to offer such support. By providing medical workers, technical workers, and logistics support personnel with living stipends, Ai You has helped channel the thoughts and prayers, as well as tangible aid, from the broader community towards those fighting on the front line. In total, the Foundation has raised over 80 million yuan and distributed 181,301 anti-epidemic items, supporting over 20,000 frontline medical workers.

In the process of addressing the needs of local hospitals and medical teams, Ai You's efficiency and professionalism proved advantageous for the effective provision of assistance. Thanks to its reputability, Ai You quickly formed partnerships with 23 frontline hospitals in Hubei, including, but not limited to, Tongji Hospital affiliated to Tongji Medical College (TMC) of Huazhong University of Science and Technology (HUST), Wuhan Jinyintan Hospital, Union Hospital affiliated to TMC of HUST, Zhongnan Hospital of Wuhan University, and the Central Hospital of Wuhan. Prior to the outbreak, Ai You had only 3 partner hospitals in the area. Subsequently, Ai You also extended support to 14 medical teams from institutions such as Renji Hospital and the Second Xiangya Hospital of Central South University.



PROGRAM
REPORT

POST-COVID SUPPORT PROGRAMS

The coronavirus outbreak is the public health crisis with the fastest rate of transmission, most widespread infection, and the most difficult containment since the founding of the People's Republic of China (PRC). From the beginning of its program design, Ai You has leveraged its years of experience and strived toward the dual objectives of "rapid response" and "enduring preparedness", planning simultaneously for short-term medical assistance and for medium to long-term academic and human resource development.

Since the country returned to normalcy in April 2020, Ai You's "COVID-19 Medical Assistance" program has been transitioning into programs aimed at medium to long-term preparedness, including support for public health emergency response, research in fields of recovery intervention and infectious respiratory diseases, as well as training for medical professionals. In the post-COVID period, issues with diagnostic abilities, clinical treatments, intensive care, and recovery await effective solutions.

1. Rehabilitative program for infected medical workers

Ai You Foundation, Tencent Charitable Foundation, and Union Hospital affiliated to TMC of HUST jointly launched the “Rehabilitative Program for Infected Medical Workers” (RPIMW). Funded by Tencent Charitable Foundation and aided by the scientific and human resources of the Chinese Academy of Engineering (CAE), the RPIMW pairs frontline medical workers, particularly those who had contracted the coronavirus, with teams of academicians. Within this structure, the RPIMW provides frontline medical workers with health assessments, professional training, and individualized assistance. Additionally, through the “pairing” method, the RPIMW implements both humanistic care and human resource development.

With the participation of CAE Vice President Professor Chen Wang and CAE Academician Professor Boli Zhang, the RPIMW received its final confirmation and was implemented by Union Hospital affiliated to TMC of HUST.

2. Research on recovery from COVID-19

Due to the high transmissibility of SARS-Cov-2 and the dispersion of COVID-19 patients post-hospitalization, it became more difficult to perform pulmonary rehabilitation. Based on this, Ai You, together with China-Japan Friendship Hospital, the National Respiratory Center, and several hospitals in Wuhan, set up the subject of “Internet-assisted Pulmonary Rehabilitation for Patients with Novel and Severe COVID-19 after Discharge”. Using Internet technology and adopting the comprehensive management method of “online + offline” management, we studied the clinical intervention effect of pulmonary rehabilitation in these patients.

Through preliminary data analysis, it was found that patients’ respiratory muscle strength and respiratory function have been significantly improved after 8 weeks of rehabilitation, and their mental state and quality of life had also been significantly improved, suggesting that this remote internet-assisted rehabilitation mode can improve the functional damage caused by COVID-19. This study also accumulated experience for follow-up home based rehabilitation research for patients with COVID-19, which had important clinical significance for accelerating the recovery of a large number of patients with COVID-19 and reducing post-illness traumatic emergencies.

3. Post-COVID support programs

Ai You strives to leverage both software and hardware in establishing a robust medical worker protection program. In the event that infections rebound, medical workers on the front line would no longer be demanded of disproportionate amounts of dedication and sacrifice. Ai You’s post-COVID support program consists of three key components.

- Supporting leading academics and facilitating professional training. Through the development of talents, we simultaneously strive toward global standards and work to reduce geographic inequalities in healthcare development.
- Supporting the advancement of basic and clinical research. By narrowing the gap between domestic academic research and its global counterpart, we aim to facilitate the generation of scientific knowledge and further anti-epidemic capacities.
- Supporting facility development, enhancing testing capabilities, improving diagnoses and expediting responses, solving bottleneck issues in testing, upgrading ward facilities, and ameliorating the humanistic environment.



A young girl with dark hair in pigtails, smiling broadly with her eyes closed. She is wearing a white sweater and a red beaded necklace. The background is a solid yellow color. In the foreground, there are several overlapping geometric shapes: a large light gray semi-circle on the left, a large yellow semi-circle in the center, and two smaller red circles at the bottom right.

PROGRAM REPORT



| CHILDREN'S CHARITY

Ai You's programs consist of Ai You Child Health and Ai You Child Welfare. Aimed at offering a systematic solution to issues faced by children with severe illnesses, Ai You Child Health focuses on offering medical assistance at scale. Additionally, it supports the betterment of children's healthcare services in the pursuit of "local hospitalization for children with severe illnesses", and providing humanistic care for both children and their families over the course of assistance. In close collaboration with Ai You Child Health, Ai You Child Welfare is dedicated to the service and protection of the basic rights of children living in difficulties. By improving the quality of nursing services for orphans, providing replacement/supportive nursing services for de facto orphans, and extending schooling assistance to children living in difficulties, we hope to enable them to take on a new lease of life and a promise for a better future.



PROGRAM
REPORT

CHILD HEALTH

MEDICAL ASSISTANCE

Ai You has been providing medical assistance for children with severe illnesses since 2006. Employing a model of direct assistance payments to hospitals, Ai You has achieved the provision of medical assistance at scale. Currently, Ai You Child Health covers children's severe illnesses such as congenital heart diseases (CHDs), blood diseases, solid tumors, preterm birth, and other birth defects. In total, we have extended assistance to over 70,000 underserved families. In 2020, we have supported the treatment of over 5,000 children.



AI YOU
YOUNG
HEART

—Surgical Treatment Program for Disadvantaged Children with CHDs

Launched in 2006, “Ai You Young Heart” is our first systematic philanthropic program. Through partnerships with adequately equipped hospitals across the country, the program offers treatments for children with CHDs. By establishing an assistance network connecting hospitals, donors, government departments, and other social organizations, Ai You Young Heart seeks to leverage the complementarity of resources and realize the effective functioning of its assistance platform, providing more children with CHDs with high-quality medical screening and surgical treatments. As of December 2020, Ai You Young Heart had assisted over 63,000 children with CHDs, making it the most large-scale program among its global counterparts.



AI YOU
ANGEL

—Medical Assistance Program for Disadvantaged Children with Blood Diseases and Solid Tumors

Launched in May 2011, “Ai You Angel” aims at helping children with blood diseases and solid tumors overcome hardships posed by the treatment process. The program has convened a committee of experts and formed partnerships with top institutions specializing in blood diseases and solid tumor treatments. Through ensuring the effective functioning of the program and the timely arrival of assistance funds, we aim to reduce the occurrence of treatment discontinuation. Initially, Ai You Angel primarily targeted acute lymphoblastic leukemia and acute promyelocytic leukemia. With the intention of extending assistance to more families, the program’s coverage has gradually expanded to all types of blood diseases and now includes the transplantation of hematopoietic stem cells. In 2018, the program was formally defined as a medical assistance program for disadvantaged children with blood diseases and solid tumors. As of December 2020, Ai You Angel had assisted the treatment of over 24,000 children.



AI YOU MORNING STAR

—Medical Assistance Program for Disadvantaged Children with Severe Illnesses

Launched in April 2015, “Ai You Morning Star” covers a variety of severe illnesses including neonatal defects, preterm birth, blood diseases, and solid tumors. In the entire matrix of Ai You’s medical assistance programs, Ai You Morning Star is the first to cross disease group boundaries. Through the facilitation of collaboration across medical departments, the program strives to maximize the recovery of its child patients. As of December 2020, Ai You Morning Star had signed partnership agreements with 21 high-quality hospitals in the country and extended assistance to over 3,000 children.

PROGRAM FEATURES

- High-quality healthcare network. By partnering with top children’s hospitals and notable Grade III Level A hospitals across the country, and by securing a wide geographic coverage, we ensure the quality and accessibility of our medical service.
- Accurate allocation of funds. By transferring assistance payments to hospitals directly, and by reimbursing hospitals post-hospitalization, we ensure the appropriate and effective use of our assistance funds.
- Transparent financials. Equipped with the donors’ account system, we maintain and offer clear transaction records, ensuring the traceability of donations from source to use.

2020 MEDICAL ASSISTANCE OVERVIEW

| Disease Type | CHDs | Children’s Blood Diseases and Solid Tumors | Preterm Birth and Structural Birth Defects |
|-----------------------------|-------|--|--|
| Number of Children Assisted | 2,808 | 362 | 394 |

PROGRAM
REPORT*AI YOU HEALTHCARE SECTOR SUPPORT PROGRAMS*

With 16 years of experience in the field of child health and invaluable lessons drawn from the fight against COVID-19, Ai You strives for systematic solutions to issues faced by children with severe illnesses. Through the drawing and directing of societal efforts, we aid the advancement of China's healthcare sector, with a particular emphasis on pediatrics. Ai You's "Healthcare Sector Support Program" is primarily consisted of funding for medical research, training and collaboration programs for medical personnel, development programs for medical social workers, and support for public health emergency measures. To lessen the physical and psychological suffering of patients, we leverage our resources in advancing children and family-centered humanistic care.

AIDING ADVANCEMENTS IN PEDIATRIC CARE

The fact that China is experiencing a shortage of pediatricians has become a consensus. Given the deficient quantity and quality, frequent exits, and uneven distribution on the supply side, primary-level and remote-area medical institutions suffer from subpar medical service qualities, resulting in issues such as “Can’t be Treated”, “Can’t Afford”, and “Can’t be Healed”.

Aware of gaps in healthcare development between different levels of jurisdictions, Ai You has designed a three-level medical intervention system, which adapts its assistance programs based on the distinct needs of primary-level, provincial, and leading national medical institutions. By aiding advancements in pediatric care, Ai You’s three-level medical intervention system seeks to address “Can’t be Healed” and realize “local hospitalization” in provinces where healthcare systems had been weak.

EMPOWERING INDUSTRY LEADERS: MEDICAL TALENT PROGRAM

Objective: Aiding the development of globally competitive talents in pediatrics.

A systematic solution to issues surrounding the development of China’s pediatric care industry requires the training and congregating of high-level talents, as well as the continued push toward global standards. Since the development of high-level talents is a long-term process, it calls for the systematic, enduring, and diverse provision of resources. Ai You’s Medical Talent Program strives to leverage societal resources in supporting overseas exchange of pediatric talents, allowing them to receive clinical, research, and management training from globally renowned medical institutions, expediting the talent development process, and empowering the future leadership of critical disciplines.



LAYING THE FOUNDATION FOR “LOCAL HOSPITALIZATION”: PROVINCIAL HOSPITAL MENTORING PROGRAM

Objective: Effectuating the nation’s push toward a “healthy China”, improving treatment qualities for children with severe illnesses in provinces lacking medical resources, and aiding the development of regional medical centers via mentoring programs between provincial hospitals and nationally leading medical institutions.

The nation’s “healthy China” initiative aims to “enrich medical resources and balance its regional allocation.” Due to the current imbalance of medical resources, children in provinces with deficient treatment capabilities have no choice but seek treatment across provinces and incur large treatment costs. Deterred by prohibitive costs, many children from underserved families end up leaving their illnesses untreated.

By leveraging the resources of national children’s medical centers and national children’s regional medical centers, Ai You facilitates the development of mentee hospitals along multiple dimensions—clinical medicine, research, and management. In the meantime, we aid the transition of provincial hospitals

toward regional role models and centers for pediatric training, precipitating wider regional advancements in pediatric care. Supported by Ai You, the province of Hainan has mostly accomplished the objective of “local hospitalization” in 2020.

ENSURING TIMELY DIAGNOSIS: PRIMARY- LEVEL HEALTHCARE NETWORK

Objective: Facilitating the identification and referral of children with severe illnesses in remote areas with deficient medical services through the provision of training, screening services, and gratuitous treatments.

Ai You provides primary-level medical, nursing, technical, and pharmaceutical personnel with a wide variety of medical training programs led by leading pediatric hospitals in the country. Through these efforts, we aim to improve the ability of primary-level personnel to detect and respond to children’s severe illnesses, allowing patients to receive an accurate diagnosis upon their first visit to local hospitals. In 2020, we have trained approximately 330 primary-level medical personnel, covering fields such as pediatrics, health care, and pediatric internal medicine.

SUPPORTIVE PROGRAMS DURING TREATMENT

Apart from providing financial assistance and improving the quality and accessibility of regional medical services, a systematic solution to issues faced by children with severe illnesses should also include programs that address the psychological, communicational, educational, and developmental needs of the patients.

Through initiatives that establish charitable, professional, and sustainable supportive programs during treatment, Ai You Child Health strives to address these needs for both the patients and their families, facilitating physical, psychological, social, and spiritual recovery and enabling a speedy return to normalcy. "Ai You Playrooms" is one such initiative.

PROBLEM

The healthcare system tends to focus on physical recovery and overlook the children's psychological and social needs.

1. Medical facilities can appear alien, cold, and bleak;
2. Both illnesses and treatments can bring pain, fear, anxiety, confusion, and helplessness;
3. Long-term hospitalization can cause boredom, fatigue, and loneliness.

OBJECTIVES

Three objectives of Ai You Playrooms

1. Creating a more welcoming environment for the children;
2. Making the treatment process more friendly;
3. Enriching the children's daily lives.



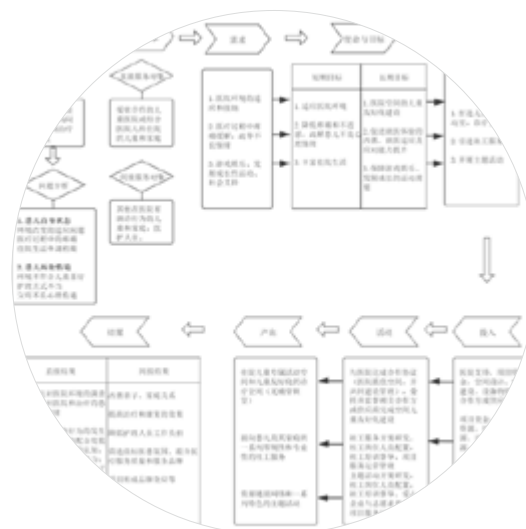
Using a model of "children's hospital + foundation + enterprises", Ai You has established a number of "Ai You Playrooms" as part of the children's hospital wards. In collaboration with professional social workers, we offer themed events, treatment adjustment support, and individualized assistance, delivering "patient and family-centered care" and alleviating the psychological and social consequences of hospitalization.

PROFESSIONALISATION



A THEORETICAL MODEL FOR THE DELIVERY OF SERVICES

Through a partnership with the Center for Behavioral Health, Beijing Normal University, and based on a combination of literature review and direct surveys, Ai You has completed *A Theoretical Model for the Delivery of Services in Ai You Playrooms*. With patients and their families at the center, our model addresses their psychological and social needs along three dimensions—friendly living spaces, parent-child stress relief, and treatment adjustment.



A SAFE, FRIENDLY, AND CARING SPACE FOR CHILDREN

In collaboration with professional public space designers, we have made sure that every Ai You Playroom contains visual styles appealing to children, appropriate and diverse functional division, as well as safe and environmentally friendly furniture. In the meantime, the spaces are stocked with books and toys for various stages of child development, organized by a comprehensive operational management system. Additionally, Ai You Playrooms have designed childlike and comical visuals for its social workers and volunteers, increasing their affability and approachableness. By providing a space specifically designed for children, friendly visuals, and professional management, we hope to make the children and their families feel at home.

A DIVERSE RANGE OF THEMED EVENTS

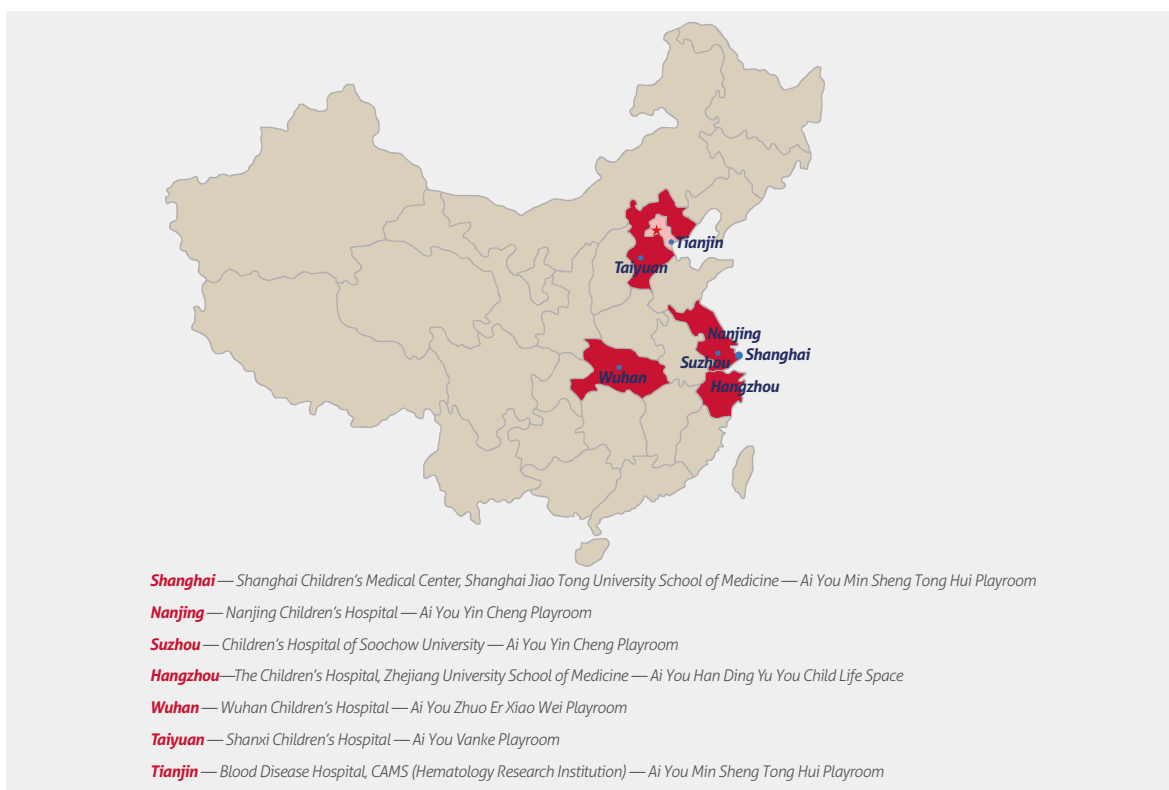
To satisfy the recreational and developmental needs of children undergoing treatments, Ai You Playrooms have hosted over 100 themed events covering five broad categories: cognitive development, communication in medical treatment settings, holiday celebration, social recreation, and parent-child relationships. In collaboration with experts and professional organizations, Ai You has introduced a diverse range of event ideas, such as parent-child coloring books, enriching the families' experience in the Playrooms. In the meantime, our themed events bring together children and volunteers, channeling societal kindness into hospital wards.



ACCESSIBLE SUPPORT FROM START TO FINISH

From adjusting to hospitalization following admission, to responding to issues that arise during treatment, to preparing for discharge, the families can always seek assistance from social workers of Ai You Playrooms. Through hospital visits, information support, medical workshops, individualized consulting, group work, and general scientific education, we hope to better support the children and their families throughout the treatment process.

As of December 2020, we had finished the construction and begun the operation of 7 Ai You Playrooms, covering Shanghai, Nanjing, Suzhou, Hangzhou, Tianjin, Wuhan, and Taiyuan.



In 2020, despite the challenges posed by COVID-19, Ai You Playrooms continue to operate with maximum effort. Throughout the year, our 7 Playrooms have hosted 785 themed events, involved a total of nearly 5,900 participants, and provided treatment adjustment support and individualized assistance for over 1,600 individuals.



PROGRAM
REPORT

CHILD WELFARE

"Improving the structural protection of children living in difficulties, completing the care system for left-behind children, and strengthening protection mechanisms for orphans and de facto orphans" are some the nation's primary goals in the area of child welfare. As such, Ai You Child Welfare targets orphans, de facto orphans, and children living in difficulties. While delivering services that address the children's basic needs, we focus on systematizing, network-building, and achieving the internal integration of Ai You Child Welfare and Ai You Child Health.

AI YOU
REBORN

—Medical Nursing Program for Orphans

In September 2011, Ai You launched “Ai You Reborn”. By setting up independent and embedded nursing centers, the program aims to offer special rearing, surgical treatment, and nursing care for the rehabilitation of orphans suffering from diseases, enabling them to take on a new lease of life and a promise for a better future. The program has established rehabilitation centers in 13 provinces, cities, and autonomous regions, covering a large number of regions, effectively solving the “last spoon gap”, and drastically improving the quality of care received by orphans. As of December 2020, Ai You Reborn had provided care for over 13,000 orphans, over 12,000 of whom had completed rehabilitation, and over 600 are currently in rehabilitation.

AI YOU
COMFORT
LIFE

—Rescue and Protection Program for Underserved Children

Launched in 2016, “Ai You Comfort Life” aims at providing basic welfare services for children living in difficulties, as well as establishing an accessible, affordable, and effective child welfare and feedback system. Spearheaded by Ai You Foundation, the program connects various entities, such as government departments, organizations, and donors, in developing a platform for child welfare services and child rights protection. In particular, it trains child welfare personnel in rural areas, explores primary-level child welfare standards, and provides immediate assistance for children in need. Additionally, it aims to improve the basic living conditions of children living in difficulties, as well as the quality of their local educational, medical, and psychological services. By helping children develop a love for the nation, a love for the homeland, and a love for life, the program helps them move beyond sufferings and begin a life of positivity. As of December 2020, Ai You Comfort Life had extended assistance to over 4,000 children living in difficulties.

MEDICAL REHABILITATION

Improving the quality of care for orphans

To provide thorough rehabilitation services at the provincial level, Ai You Reborn—Medical Nursing Program for Orphans has established 11 provincial rehabilitation centers, covering Hangzhou, Wuhan, Nanchang, Kunming, Chongqing, Urumqi, Nanjing, Chengdu, Xi'an, Ningxia, and Kaifeng. In 2020, the program has provided care for 1,703 orphans, 1,050 of whom have completed rehabilitation, and 653 are currently in rehabilitation.

Having set up standalone rehabilitation facilities in Shanghai and Beijing, we draw from the high-quality medical resources available in first-tier cities in providing care for children who have crossed provincial boundaries for treatment. By leveraging the expertise of medical rehabilitation professionals, we strive for efficiency and timeliness in the provision of our service, thereby increasing overall recovery rates. In 2020, Ai You Reborn rehabilitation centers in Beijing and Shanghai have provided care for 85 orphans, 64 of whom have completed rehabilitation, and 21 are currently in rehabilitation.



Safeguarding the health of children in Tibet

Targeting the prevalence of infectious diseases and severe illnesses among the children of Tibet, as well as the relative weakness of local health and hygiene provisions, we have established a three-tier diagnosis and treatment system. From bottom to top, we cover school infirmaries, county-level hospitals/centers for disease control, and provincial hospitals/Grade III city-level medical institutions. With a particular emphasis on school infirmaries and school doctors, we aid local efforts, including treatments for severe illnesses and the prevention of infectious diseases, in order to achieve “early detection”, “early diagnosis”, and “early treatment”, maximally fulfilling the needs of the children and improving their health.

In 2020, the program has established one school infirmary and collaborated with local medical institutions in conducting disease screening. In total, we have conducted infectious disease screening on 3,007 individuals, disease screening on 2,415 individuals, and eye screening on 12,526 individuals. Additionally, we have extended assistance to 36 children with severe illnesses seeking treatment across provincial borders.

REHABILITATION PROTECTION

Aiding children living in difficulties

Basic needs support: Providing food packages, hygiene packages, living packages, and winter packages for children from underserved families and children without guardians.

Educational support: Extending financial assistance to children with the risk of dropping out for financial and/or familial reasons.

Cross-provincial medical assistance: Helping children overcome familial, communicational, and financial obstacles in obtaining medical services across provincial boundaries.

Psychological intervention: Administering personalized intervention for child victims of domestic violence and sexual abuse.

In 2020, the program has extended assistance to almost 700 children living in difficulties for a total of almost 6,000 times, establishing robust protective networks in target areas.

Establishing robust protective networks through Ai You Houses

Due to the lack of liberal education, outdoor activities, and safe public recreational areas in schools of rural and remote areas, children's cognitive and social development can be subject to limitations. In light of this, we have leveraged local resources in setting up “Ai You Houses” in every village/school involved in our program. Informed by the developmental needs of children, we equip Ai You Houses with educational/recreational facilities and facilitate various activities including:

- **Moral and hygienic education:** Focusing on six themes—self-cognition, hygiene, camaraderie, respect for the old and love for the young, natural cognition, and cultural cognition—we aim to raise the children's



awareness of safety issues, improve their hygiene, and develop their social abilities.

- Musical, physical, and artistic activities: Ai You Houses are stocked with books, art supplies, and sports items. By encouraging reading, artistic expression, and sporting activities, we help the children engage in self-exploration and self-discovery. By cultivating imagination, focus, and creativity, we aim to enrich the children's internal lives and help them resolve negative emotions.

- Holiday special activities: Through events such as holiday celebrations and group birthday parties, we facilitate socialization and community building.

In 2020, Ai You Houses opened to the public for a total of 4,606 times, organized 2,589 events, involving nearly

50,000 participants and over 20,000 children. Children's welfare supervisors have conducted 14,350 home visits, helping 1,788 children living in difficulties identify potential risks and implementing timely responses.

Child welfare during COVID-19

COVID-19 has changed the lives of many, especially those who were prevented from working outside their native provinces, who struggled to finance their families' daily, educational, and medical expenses. In response to these challenges, we launched an "assistance program for child living in difficulties affected by COVID-19". Having extended temporary assistance to 1,200 families in Hubei, Anhui, and Yunnan, who lost their sources of income as a consequence of COVID-19, we aim to lessen their financial burden and facilitate a return to normalcy for their children.



The background of the entire page is a dark blue field. In the upper left, there is a faint, light blue geometric pattern of lines and arrows. In the center and right, a stylized city skyline is visible, featuring several skyscrapers in a light blue, almost white, color. Overlaid on the lower half of the image are numerous interlocking gears of various sizes, also in a light blue/white color. A large, white, semi-circular shape is positioned on the left side, partially overlapping the gears. At the bottom of the page, there are three red circular shapes of different sizes: a large one on the left, a medium one in the center, and a small one on the right.

IMPACT REPORT

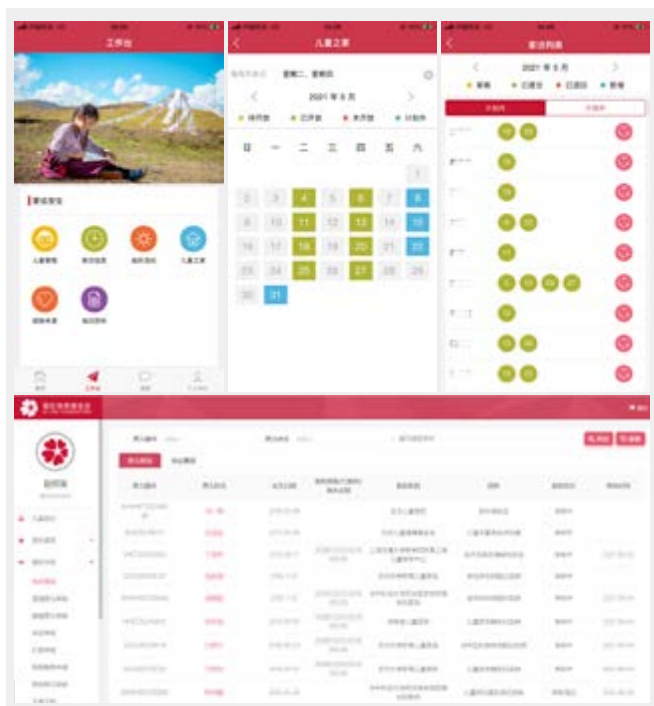
DIGITALIZATION

For many years, Ai You Foundation has placed digitalization in the foreground. In an era of digital and intelligent revolution, the digital transformation of philanthropy has become a salient area of debate within the public welfare sector. Through the implementation of “five systems and one center”, Ai You has achieved the automation and digitalization of fundraising, program management, fund management, administration, and donor feedback, laying a solid foundation for further digitalization of the Foundation.

The fundraising system

In 2020, Ai You launched version 2.0 of its official public fundraising platform—“Ai Love You”. Furnished with brand new interface design and functional modules, the platform provides consumer-side users with a standalone online donation mechanism. After the upgrade, donors are able to not only make individual contributions, but also mobilize their friends through “donate together” and “scenario donation”.

Additionally, Ai You has realized the integration of our donation platform and the donors’ feedback system, maintaining detailed records for every donor and providing transparency from source to use. In the meantime, we provide customer service via WeChat, addressing any confusion that may arise during the online donation process.



The program management system

Through standardized online review and supervision, we have moved the entire process of assistance and related services online. The system realizes information exchange between Ai You Child Health and its partner hospitals and can be customized according to the distinct needs of individual hospitals including information submission and review, online creation and verification of agreements, application for assistance expenses, and fund appropriation. Using a mobile app, Ai You Child Welfare has moved online the entire process of application submission, home visits by welfare supervisors, declaration of organized activities, and personalized assistance. Consequently, program execution is under online checking, tracking, and supervision.



The fund management system

Ai You's fund management system connects program data with financial data, donors with beneficiaries. For the two years since its inception, the fund management system has undergone continuous upgrading, ensuring every transaction is recorded and maintained by the system. In 2020, the system has added more than 10 functional plug-ins, including donor account plug-ins (which facilitate change-of-balance reviews), online banking plug-ins (which enable fast and secure payments), and program management system plug-ins (which allow for direct linkages with our assistance programs).



The donors' account system

Building on a foundation of intelligent fund allocation and the donors' account system, Ai You continued to seek improvements in 2020, adding functions such as "automatic reflection of receipts", improving efficiency and user experience.

Given that donations from individual donors are typically in small quantities and large volumes, Ai You has leveraged the data from its business-side intelligent fund allocation system in ensuring the accurate and scientific matching of consumer-side donations and public welfare expenditures. Consequently, donors are able to view the allocation of their donations and receive feedback regarding the beneficiaries' recovery/rehabilitation progress.



The administrative system

Our comprehensive administrative system includes personnel management, administrative examination and approval, salary management, conference management, and other functions. Additionally, we are in the process of connecting our administrative system with our program and fund management systems, which promises to improve the efficiency of the Foundation.



The center for overall planning

The center for overall planning regularly monitors and coordinates between Ai You's donor needs, program development, and fundraising activities. In 2020, the center developed and trialed its overall planning model, which generates monthly reports and sends them to relevant decision-making and program-development departments, aiding the identification of assistance imbalances and gaps in programs/donor needs, helping supervise the matching of donations and assistance programs, and providing evidence used in overall planning.



TRANSPARENCY

Since its inception, Ai You has always been committed to the principles of openness and transparency. Throughout our 17 years in public welfare, we have established a professional public image and continuously deepened the publicity of information.

Improving transparency through the donors' account system

Whether a donation is from the consumer side or the business side, our donors' account system ensures its traceability from source to use.

Diversifying methods of disclosure

We publicize our operations and assistance programs through a combination of methods, each with its distinct characteristics—annual/monthly/weekly reports, posts by official accounts on social media platforms (e.g., WeChat, Weibo, TikTok, Kuaishou), and disclosure statements on designated platforms by the Ministry of Civil Affairs.

Leveraging the power of blockchain technologies

In 2020, Ai You Reborn and Ai You Young Heart went live on Alibaba's blockchain-powered public welfare platform.



CO-BRANDING

In 2020, Ai You attempted to expand its reach and engage a wider community through co-branding with more new-consumer brands. By developing and launching co-branded items, we simultaneously provide businesses with personalized opportunities of engaging in philanthropy and leverage the brand influence of businesses in widening our reach. In 2020, Ai You has launched co-branded items with brands such as Huahong Pharmaceutical, 3.1 Phillip Lim, and Bananain.

BRANDING EVENTS



On September 17, Ai You hosted the “Coming for Love” Charity Open Day, where Ai You officially announced the creation of a special fund, jointly initiated with Shanghai Children’s Medical Center, aimed at facilitating philanthropy-driven medical sector development. With the hope of actively directing funds to the medical sector and leveraging the expertise of the Foundation, in 2020, Ai You has set up a number of special funds with multiple top medical institutions. By aiding the development of subject areas such as pediatrics and public health, we hope to open a new chapter in the strategic cooperation between social organizations and the medical sector.

BRANDING EVENTS



On December 19, Ai You hosted the “2020 Pujiang Night” jointly with the National Children’s Medical Center and Shanghai Children’s Medical Center (SJTU School of Medicine). “Pujiang Night” pioneered in adopting a model of “philanthropy + medicine”, fundraising for Ai You’s special funds and contributing new ideas for philanthropy-driven medicine. Unlike previous iterations of the event, the “2020 Pujiang Night” is an innovative partnership between a 5-A grade foundation and top medical institutions. Focusing on both the development of pediatric medicine and direct assistance, both parties strived to mobilize a wider community of actors and kickstart multi-dimensional efforts aimed at the betterment of pediatric medicine.



CELEBRITIES AND FAN GROUPS

In 2020, Ai You collaborated with celebrities such as Leehom Wang, Michael Chen, Tamia Liu, Michelle Bai, R1SE, and Zhang Yunlei in raising awareness for the public welfare sector and mobilizing a wider community in support of children's charity. In response to the mobilization of celebrities, more than 30 fan groups kindly extended donations to Ai You's projects.





AUDITING REPORT

AI YOU FOUNDATION

FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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| <u>Related financial information of the Foundation</u> | | |

Client: AI You Foundation
Auditor: PricewaterhouseCoopers Zhong Tian LLP, Beijing Branch
Tel: 010-6533 8888
Fax: 010-6533 8800

AI YOU FOUNDATION

FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

[English translation for reference only]

Auditor's ReportPwC ZT Beijing Shen Zi (2021) No. 0472
(Page 1 of 3)**To Ai You Foundation,****Opinion***What we have audited*

We have audited the accompanying financial statements of Ai You Foundation, which comprise:

- the balance sheet as at 31 December 2020;
- the business activity statement for the year then ended; and
- the cash flow statement for the year then ended; and
- notes to the financial statements.

Our 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 2020, and its financial performance and cash flows for the year then ended in accordance with the requirements of the *Accounting System for Non-governmental Non-profit Organisations*.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs") and *Audit Guidelines on Foundation Financial Statements*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Ai You Foundation in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

PwC ZT Beijing Shen Zi (2021) No. 0472
(Page 2 of 3)**Responsibilities of Management and Those Charged with Governance 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 *Accounting System for Non-governmental Non-profit Organisations*, 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.

In preparing these financial statements, management is responsible for assessing Ai You Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Ai You Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Ai You Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Balance sheet

| As at 31 December 2020 | | 31 December 2020 | 31 December 2019 | Line No. | Liabilities and Net Assets | Line No. | 31 December 2019 | 31 December 2020 | Unit: RMB Yuan |
|--|----------|------------------|------------------|----------|--|----------|------------------|------------------|----------------|
| Assets | Line No. | 31 December 2019 | 31 December 2020 | | | | | | |
| Current assets: | | | | | Current liabilities: | | | | |
| Cash at bank and on hand | 1 | 21,165,424.75 | 160,236,840.76 | 24 | Short-term borrowings | | | | |
| Short-term investments | 2 | 688,905,905.66 | 356,520,800.56 | 25 | Payables | | 6,581,774.79 | 2,569,021.76 | |
| Receivables | 3 | 2,251,034.80 | 2,764,554.08 | 26 | Accrued payroll | | 1,327,456.60 | 1,214,004.58 | |
| Advance to suppliers | 4 | - | - | 27 | Tax payable | | 105,065.13 | 112,914.05 | |
| Inventories | 5 | - | - | | Advances from customers | | - | - | |
| Prepaid expenses | 6 | 290,946.01 | 1,317,253.97 | 28 | Accrued expenses | | - | - | |
| Long-term debt investments due within one year | 7 | - | - | | Provisions | | - | - | |
| Other current assets | 8 | 818,312.73 | 1,119,661.57 | 30 | Current portion of long-term liabilities | | - | - | |
| Total current assets | 9 | 613,492,424.00 | 541,979,113.94 | 31 | Other current liabilities | | - | - | |
| | | | | 32 | Total current liabilities | | 8,014,302.52 | 3,896,900.39 | |
| Long-term investments: | | | | 33 | | | | | |
| Long-term equity investments | 10 | 15,442,794.50 | 58,047,173.86 | | Long-term liabilities | | | | |
| Long-term debt investments | 11 | - | 15,037,749.66 | 34 | Long-term borrowings | | - | - | |
| Total long-term investments | 12 | 15,442,794.50 | 111,084,923.52 | 35 | Other long-term liabilities | | - | - | |
| Fixed assets: | | | | 36 | Total long-term liabilities | | - | - | |
| Fixed assets - cost | 13 | 752,486.39 | 740,244.81 | 37 | | | | | |
| Less: | | | | | | | | | |
| Accumulated depreciation | 14 | 514,382.10 | 657,259.38 | | | | | | |
| Fixed assets - net | 15 | 238,104.29 | 102,985.43 | | Entrusted liabilities: | | | | |
| Construction in progress | 16 | - | - | 38 | Entrusted liabilities | | - | - | |
| Cultural relic assets | 17 | - | - | | Total liabilities | | 8,014,302.52 | 3,896,900.39 | |
| Fixed assets pending for disposal | 18 | - | - | | | | | | |
| Total fixed assets | 19 | 238,104.29 | 102,985.43 | | | | | | |
| Long-term prepaid expenses | 20 | - | - | | Net assets | | | | |
| Intangible assets: | | | | | Unlimited net assets | | 494,002,411.11 | 451,491,426.65 | |
| Intangible assets | 21 | - | - | 40 | Limited net assets | | 130,159,570.59 | 197,778,658.86 | |
| Entrusted assets | 22 | - | - | 41 | Total net assets | | 624,161,981.70 | 649,270,085.51 | |
| Entrusted assets | | | | 42 | | | | | |
| Entrusted assets | | | | | | | | | |
| Total assets | 23 | 629,173,203.22 | 653,167,026.89 | 43 | Total liabilities and net assets | | 629,173,203.22 | 653,167,026.89 | |

Legal representative:

Prepared by:

Reviewed by:

PwC ZT Beijing Shen Zi (2021) No. 0472
(Page 3 of 3)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on AI You Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause AI You Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Zhong Tian LLP
Beijing Branch
Beijing, the People's Republic of China
19 March 2021

Signing CPA
Signing CPA

Zhang Hongtao

Li Dan

Cash flow statement

For the year ended 31 December 2020

Ai You Foundation

Unit: RMB Yuan

| Item | Line No. | 2020 | 2019 |
|--|----------|----------------|-----------------|
| Cash flows used in business activities | 1 | - | - |
| Cash received from donation | 2 | 269,779,657.36 | 261,695,154.60 |
| Cash received from membership fee | 3 | - | - |
| Cash received from rendering of services | 4 | - | 83,490.57 |
| Cash received from sales of goods | 5 | - | - |
| Cash received from government grants | 6 | 1,500,000.00 | - |
| Cash received relating to other business activities | 7 | 190,744.08 | 2,248,766.17 |
| Sub-total of cash inflows | 8 | 271,470,401.44 | 264,027,411.34 |
| Cash paid for donation or financial aid | 9 | 243,952,694.19 | 250,031,578.81 |
| Cash paid to and on behalf of employees | 10 | 18,676,764.32 | 20,115,534.40 |
| Cash paid for goods and services | 11 | - | - |
| Cash paid relating to other business activities | 12 | 9,191,982.49 | 8,436,035.89 |
| Sub-total of cash outflows | 13 | 271,821,421.00 | 278,583,149.10 |
| Net cash flows used in business activities | 14 | (351,019.56) | (14,555,737.76) |
| Cash flows from investing activities | 15 | - | - |
| Cash received from disposal of investments | 16 | 527,041,665.44 | 536,980,586.00 |
| Including: Cash received from disposal of long-term equity investments | | - | 586.00 |
| Cash received from returns on investments | 17 | 20,864,288.33 | 16,885,004.95 |
| Cash received from disposal of fixed assets and intangible assets | 18 | - | - |
| Cash received relating to other investing activities | 19 | - | - |
| Sub-total of cash inflows | 20 | 547,905,953.77 | 553,865,590.95 |
| Cash paid to acquire fixed assets and intangible assets | 21 | 7,758.42 | 84,216.08 |
| Cash paid to acquire investments | 22 | 388,495,759.78 | 544,098,962.77 |
| Including: Cash paid to acquire long-term equity investments | | 80,500,000.00 | 11,500,000.00 |
| Cash paid relating to other investing activities | 23 | - | - |
| Sub-total of cash outflows | 24 | 388,503,518.20 | 544,183,178.85 |
| Net cash flows from investing activities | 25 | 159,402,435.57 | 9,682,412.10 |
| Cash flows from financing activities | 26 | - | - |
| Cash received from borrowings | 27 | - | - |
| Cash received relating to other financing activities | 28 | - | - |
| Sub-total of cash inflows | 29 | - | - |
| Cash paid for borrowings | 30 | - | - |
| Cash paid for interest | 31 | - | - |
| Cash paid relating to other financing activities | 32 | - | - |
| Sub-total of cash outflows | 33 | - | - |
| Net cash flows from financing activities | 34 | - | - |
| Effect of foreign exchange rate changes on cash | 35 | - | - |
| Net decrease in cash and cash equivalents | 36 | 159,051,416.01 | (4,873,325.66) |

Legal representative:

Prepared by:

Reviewed by:

Business Activity Statement

Ai You Foundation

For the year ended 31 December 2020

Unit: RMB Yuan

| Item | Line No. | 2019 | | | 2020 | | |
|---|----------|----------------|------------------|----------------|-----------------|------------------|----------------|
| | | Unlimited | Limited | Total | Unlimited | Limited | Total |
| Revenue | | | | | | | |
| Including: Revenue from donation | 1 | 67,268,841.94 | 194,436,312.66 | 261,695,154.60 | 2,115,915.50 | 267,663,741.86 | 269,779,657.36 |
| Revenue from rendering of services | 2 | - | 83,490.57 | 83,490.57 | - | - | - |
| Revenue from sales of goods | 3 | - | - | - | - | - | - |
| Government grants | 4 | - | - | - | - | 1,500,000.00 | 1,500,000.00 |
| Investment income | 5 | 12,837,621.21 | 9,112,407.45 | 21,950,228.66 | 230,232.98 | 22,437,017.52 | 22,667,250.48 |
| Other income - interest income | 6 | 4,192.83 | 190,473.99 | 194,666.82 | 4,692.08 | 186,052.00 | 190,744.08 |
| Total revenue | 7 | 80,100,655.98 | 203,822,684.67 | 283,923,340.65 | 2,350,840.54 | 291,786,811.38 | 294,137,651.92 |
| Expenditure | | | | | | | |
| Business activity cost | 8 | 255,515,131.61 | - | 255,515,131.61 | 246,278,490.00 | - | 246,278,490.00 |
| General and administrative expenses | 9 | 14,755,922.18 | - | 14,755,922.18 | 11,203,035.45 | - | 11,203,035.45 |
| Financing expenses | 10 | 9,639,277.62 | - | 9,639,277.62 | 8,544,991.67 | - | 8,544,991.67 |
| Total expenditure | 12 | 279,910,331.41 | - | 279,910,331.41 | 266,026,517.12 | - | 266,026,517.12 |
| Limited net assets transferred into unlimited net assets | 13 | 193,891,734.70 | (193,891,734.70) | - | 224,164,692.12 | (224,164,692.12) | - |
| Movements in net assets (presented with "+" for decrease) | 14 | (5,917,740.73) | 9,930,949.97 | 4,013,209.24 | (39,510,984.48) | 67,622,119.25 | 28,111,134.80 |

Legal representative:

Prepared by:

Reviewed by:

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

I. General Information

AI You Foundation (hereinafter "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 Ms. Geng Yuan and the Secretary-General is Mr. Cong Zhigang.

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

The approved scope of business of the Foundation includes funding the sponsorship, medical aid and education support projects for orphaned, poor and disabled children; supporting the development of public service organisations; providing management and advisory services on public welfare projects; providing government purchase services; funding projects that promote the development of medical industry, such as medical research, communication and training for medical workers, medical social workers supporting, etc.

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 based on the assessment of 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 System for Non-governmental Non-profit Organisations

The financial statements of the Foundation for the year ended 31 December 2020 are in compliance with the Accounting System for Non-governmental Non-profit Organisations, and truly and completely present the financial position of the Foundation as at 31 December 2020 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 System for Non-governmental Non-profit Organisations issued by the Ministry of Finance and other complementary regulations.

2. Accounting Period

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

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

3. Recording currency

The Foundation's recording currency is Renminbi (RMB).

4. Basis of accounting and measurement bases

The Foundation follows the accrual basis of accounting. Assets are measured at historical costs.

5. Accounting for foreign currency transactions

Operating transactions denominated in foreign currency in the accounting year are measured at the RMB equivalent using the market rate at the actual date of transaction (middle rate). At the end of the year, monetary items will be adjusted with the market rate then, exchange gains or losses arising from which will be recognised into the financing expenses for the period or capitalised based on their purpose and nature.

6. Short-term investments

Short-term investments include stocks, bonds, etc., which are readily convertible to cash and are held for a period no more than 1 year (inclusive). Short-term investments are measured at the investment costs when acquired. Upon disposal of short-term investments, the difference between the amount received on disposal and the carrying amount of the short-term investments is recognised into profit or loss of investment in the current period.

7. Accounting for bad debts

The Foundation adopts the allowance method for the accounting for bad debts and makes provision on an individual basis.

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

- (1) the debtor goes bankrupt or decreases, 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 property or bequest;
- (2) the debtor fails to perform its obligations for a long time, and there is sufficient evidence that the debt is irrecoverable or the chance for recovery is minimum.

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

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

8. Accounting for long-term investments

(1) Long-term equity investments

Long-term equity investments are measured at the initial investment costs at the date of acquisition. Where the Foundation has no control, common control or significant influence over the investee, the investments are accounted for using the cost method; where the Foundation has control, common control or significant influence over the investee, the investments are accounted for using the equity method.

(2) Long-term debt investments

The actual costs of long-term debt investments at the date of acquisition are deemed as the initial investment costs. For long-term debt investments, the interests are accrued and the discounts or premiums of bonds are amortised on a straight-line basis.

(3) Provision for impairment of long-term investments

Each item of long-term investment is inspected at the end of the period, and the provision for impairment of long-term investments is made based on the difference of the recoverable amount of single investment and its carrying amount.

9. Measurement and depreciation of fixed assets

Fixed assets refer to assets held for administrative management, rendering of services, producing commodities or renting with estimated useful lives over one fiscal year and with relatively high unit value.

(1) A fixed asset shall be measured at the actual cost at the date of acquisition.

(2) Fix assets are depreciated using the straight line method.

According to the straight-line method, the depreciation rate is determined by deducting residual value rate from the cost and the estimated useful lives of the fixed assets. The annual depreciation rates by categories of fixed assets are as follows:

| Assets categories | Estimated useful lives | Estimated residual value rate | Annual depreciation rates |
|----------------------|---------------------------|----------------------------------|------------------------------|
| Electronic equipment | 3 years | 3% | 32.33% |
| Office furniture | 5 years | 3% | 19.40% |

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

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

9. Measurement and depreciation of fixed assets (Cont'd)

(3) Fixed assets without depreciation.

Historical relics and artistic works held for exhibition, education, research, etc., as well as other collections with cultural or historical value and collected as a long-term or permanent preservation should be accounted for as fixed assets, and the depreciation is not necessary.

10. Recognition of limited and unlimited net assets

When the usage of assets and the economic benefits generated from the assets (returns on investments and interests of the assets) are subject to the restriction on its timing or (and) usage set by the provider of the assets or related national laws or administrative regulations, the net assets generated therefrom are limited net assets; otherwise, they are unlimited net assets.

11. Revenue recognition

Revenue refers to the inflows of economic benefits or service potential generated from the operation of non-governmental non-profit organisations and will result in an increase in the net assets of the current period. Revenues are categorised by their sources as revenue from donation, revenue from government grants, revenue from rendering of services, investment income, revenue from sales of goods, other income, etc.

The Foundation recognises revenue realisation in accordance with the following criteria and realised revenue are recognised into profit or loss for the period.

At recognition, revenue is divided into revenue arising from exchange transactions and non-exchange transactions.

Unconditional donation or government grants are recognised when received. Conditional donation or government grants are recognised when the Foundation obtains the control over them. When the Foundation has a present obligation that requires it to fully or partially repay the donated assets or corresponding amount, a liability or an expense is recognised based on the amount of such repayment.

Non-monetary assets from donation should be measured at fair value. The Foundation should require the donor to provide evidence for the fair value of the donated assets. Otherwise, such assets shall not be recognised as donation revenue. Revenue from labour service donation is not recognised into revenue.

Related revenue recognised from assets of which the usage is restricted in timing or (and) usage by the asset provider is limited revenue; other revenue is unlimited revenue.

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

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V. Taxation

1. Main categories and rates of taxes applicable to the Foundation

The main categories and rates of taxes applicable to the Foundation are set out below:

| Category | Tax rate | Tax base |
|-------------------------|----------|----------------------------|
| Enterprise income tax | 25% | Taxable income |
| Value-added tax ("VAT") | 6% | Taxable value-added amount |

Pursuant to the Circular on the Overall Promotion of Pilot Program of Levying Value-Added Tax in Place of Business Tax (Cai Shui [2016] No. 36) jointly issued by the Ministry of Finance and the State Administration of Taxation, as a general taxpayer, the Foundation's investment income from purchasing principal-guaranteed wealth management products of banks is subject to VAT at a tax rate of 6% since 1 May 2016.

2. Tax preference policies and bases

Pursuant to the Circular on Issues of Enterprise Income Tax Exemption for Non-profit Organisations issued by the MOF and the State Administration of Taxation (Cai Shui [2009] No. 122), qualified income of non-profit organisations is exempted from enterprise income tax, except for that generated from profit-making activities engaged by non-profit organisations.

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

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VI.

Notes to the financial statements

1. Cash at bank and on hand

| Category | Currency | Opening balance | Ending balance |
|---------------------|----------|-----------------|----------------|
| Cash at bank | RMB | 3,185,424.75 | 186,206,840.76 |
| Other cash balances | RMB | 18,000,000.00 | 14,030,000.00 |
| Total | | 21,185,424.75 | 180,236,840.76 |

2. Short-term investments

| Categories of short-term investments | Book balance | Opening balance | Carrying amount | Book balance | Provision for bad debts | Carrying amount |
|--------------------------------------|----------------|-----------------|-----------------|----------------|-------------------------|-----------------|
| WMPs | 583,905,905.66 | - | 583,905,905.66 | 356,520,803.56 | - | 356,520,803.56 |
| Total | 583,905,905.66 | - | 583,905,905.66 | 356,520,803.56 | - | 356,520,803.56 |

The wealth management products ("WMPs") of the foundation include: "Bubushengjin 8699", a WMP with floating proceeds for enterprises purchased from China Merchants Bank ("CMB"), which had delivered an actual yield rate of 2.6%-3.1% as at 31 December 2020; a structured deposit product with floating proceeds purchased from CMB, which had delivered an actual yield rate of 2.7% as at 31 December 2020; "Fortune bus No.3", a WMP with floating proceeds purchased from Shanghai Pudong Development Bank, which had delivered an actual yield rate of 3.5% as at 31 December 2020; The other six trust WMPs purchased from Wanyang Trust Co., Ltd. had delivered an actual yield rate of 7.3%-8.1% as at 31 December 2020; "Win-win and robust cycle 91 days", a WMP with floating proceeds for enterprises purchased from CITIC bank, which had delivered an actual yield rate of 3.5% as at 31 December 2020.

3. Receivables

The ageing of receivables is analysed as follows:

| Ageing | Book balance | Opening balance | Carrying amount | Book balance | Provision for bad debts | Carrying amount |
|---------------|--------------|-----------------|-----------------|--------------|-------------------------|-----------------|
| Within 1 year | 345,860.11 | - | 345,860.11 | 1,584,554.08 | - | 1,584,554.08 |
| 1 to 2 years | 430,672.15 | - | 430,672.15 | 100,000.00 | - | 100,000.00 |
| 2 to 3 years | 700,000.00 | - | 700,000.00 | 400,000.00 | - | 400,000.00 |
| Over 3 years | 815,302.59 | - | 815,302.59 | 700,000.00 | - | 700,000.00 |
| Total | 2,291,834.85 | - | 2,291,834.85 | 2,784,554.08 | - | 2,784,554.08 |

AI YOU FOUNDATION

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VI.

Notes to the financial statements (Cont'd)

3. Receivables(Cont'd)

receivables by customer:

(2)

| Name of customers | Opening balance Book balance | % of total balance | Ending balance Book balance | % of total balance | Date | Reason |
|---|---------------------------------|-----------------------|--------------------------------|-----------------------|---|---|
| Children's Hospital of Fudan University | 100,000.00 | 4.36% | 100,000.00 | 3.59% | 29 November 2017 | Deposit for hospitalisation |
| The affiliated Union Hospital of Tongji Medical College in HUST | 400,000.00 | 17.45% | 400,000.00 | 14.37% | 25 December 2017 and 20 July 2018 | Deposit for hospitalisation |
| Jiangxi Provincial Children's Hospital | 100,000.00 | 4.36% | 100,000.00 | 3.59% | 19 November 2018 | Deposit for hospitalisation |
| Shanghai Children's Medical Centre, Medical School of SJTU | 200,000.00 | 8.73% | 200,000.00 | 7.18% | 29 December 2017 | Deposit for hospitalisation |
| Children's Hospital, Capital Institute of Pediatrics | 200,000.00 | 8.73% | 200,000.00 | 7.18% | 30 March 2017 | Deposit for hospitalisation |
| Beijing Shengdan Property Management Co., Ltd. | 83,553.06 | 3.65% | - | - | 31 August 2015 and 26 November 2015 | Settled |
| Beijing Kunan Jinhua Real Estate Management Co., Ltd. | 782,421.66 | 33.27% | - | - | 14 August 2015, 25 November 2016 and 13 November 2018 | Settled |
| Chinese PLA General Hospital | 200,000.00 | 8.73% | 200,000.00 | 7.18% | 17 August 2018 | Deposit for hospitalisation |
| Beijing Wangjing Sounou Real Estate Co., Ltd. | - | - | 608,473.59 | 21.85% | 17 September 2020, 13 October 2020, 17 September 2020, 20 September 2020, 13 October 2020, 20 November 2020 | Deposit for hospitalisation, deposit for renting office |
| Chaoyang Branch of Beijing Sounou Property Management Co., Ltd. | - | - | 107,869.20 | 3.88% | - | Deposit for property |
| Wangjing Branch of Beijing Sounou Property Management Co., Ltd. | - | - | 1,858.35 | 0.07% | 13 October 2020 | Deposit for renting warehouse and office |
| TenPay Payment Technology Co., Ltd. | 24,814.05 | 1.08% | - | - | 31 December 2019 | Settled |
| Alipay (China) Network Technology Co., Ltd. | 221,016.50 | 9.64% | - | - | 31 December 2019 | Settled |
| Beijing Qianfubao Payment Technology Co., Ltd. | 29.13 | 0.00% | 421,263.33 | 4.35% | 31 December 2019 | Charitable donation in petty cash |
| TenPay Payment Technology Co., Ltd. | - | - | 138,421.60 | 4.87% | 31 December 2020 | Charitable donation in petty cash |
| Alipay (China) Network Technology Co., Ltd. | - | - | 606,636.01 | 21.75% | 31 December 2020 | Charitable donation in petty cash |
| Total | 2,291,834.85 | 100.00% | 2,764,554.08 | 100.00% | | |

AI YOU FOUNDATION

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VI.

Notes to the financial statements (Cont'd)

4.

Prepaid expenses

| Item | Opening balance | Increase in the current year | Amortisation charged in the current year | Ending balance |
|-------------------------|-----------------|------------------------------|--|----------------|
| Rental expenses | 256,829.24 | 2,653,225.30 | (2,762,748.33) | 149,306.30 |
| Property management fee | 27,851.02 | 354,007.56 | (261,998.63) | 79,921.76 |
| Decoration fee | 6,265.75 | 1,119,112.40 | (37,352.23) | 1,088,025.92 |
| Total | 290,946.01 | 4,106,345.35 | (3,062,037.39) | 1,317,253.97 |

5. Long-term equity investments

| Investee | Initial investment cost | Opening balance | Ending balance | Proportion | Accounting method |
|--|-------------------------|-----------------|----------------|------------|-------------------|
| Juster (Beijing) Technologies Co., Ltd. (1) | 3,000,000.00 | 2,942,764.93 | 3,047,173.86 | 5.66% | Equity method |
| Beijing Xiangrui Education Technology Co., Ltd. | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 0.98% | Cost method |
| Beijing Hongji Media Co., Ltd. | 1,500,000.00 | 1,500,000.00 | 1,500,000.00 | 15.00% | Cost method |
| Nanjing Yuanheng Equity Investment Management Partnership(2) | 10,000,000.00 | 10,000,000.00 | 20,000,000.00 | 0.774% | Cost method |
| Beijing Gaorong Phase IV Kangang Equity Investment Partnership(Limited Partnership)(3) | 13,500,000.00 | - | 13,500,000.00 | 1.47% | Cost method |
| Nanjing Wuyuan Oxing Venture Capital Center (Limited Partnership)(4) | 8,000,000.00 | - | 8,000,000.00 | 1.9175% | Cost method |
| New Sizhe Value Evolution Phase I Private Equity Fund (5) | 5,000,000.00 | - | 5,000,000.00 | - | Cost method |
| New Creative Multi-Strategy Fund 3 (6) | 15,000,000.00 | - | 15,000,000.00 | - | Cost method |
| Penghua Fund Pengtai No. 20 collective asset management plan (7) | 29,000,000.00 | - | 29,000,000.00 | - | Cost method |
| Total | 86,000,000.00 | 15,442,764.93 | 96,047,173.86 | | |

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (All amounts in RMB Yuan unless otherwise stated) (English translation for reference only)

VI. Notes to the financial statements (Cont'd) 5. Long-term equity investments (Cont'd)

(1) The Foundation has been investing in Justering (Beijing) Technologies Co., Ltd. ("Justering Beijing") since 2016, and holds 5.66% of the investee's shares. The investee's Board of Directors consists of 5 directors, including one representative of the Foundation. The Foundation has the right to participate in the decision-making of the investee's financial and operating policies and has significant influence over the investee.

(2) For the purpose of maintaining or increasing assets' value, the Foundation purchased a private fund WMP managed by Lhesa Yuanchi Investment Management Co., Ltd. in October 2019, and held 0.774% of the shares of a product company Nanjing Yuanheng Equity Investment Management Partnership as a limited partner. Limited partners are not allowed to participate in the management and control of the investment business and operating decisions of the partnership, so the investment doesn't impose significant influence on the investee and is accounted for using the cost method.

(3) For the purpose of maintaining or increasing assets' value, the Foundation purchased a private equity fund asset management product operated by the Taol Gaocong Capital Management Co., Ltd. in August 2020, and held 1.47% of the shares of the company as a limited partner. Limited partners are not allowed to participate in the management and control of the investment business and business decision-making of the partnership, so the investment doesn't impose significant influence on the investee and is accounted for using the cost method.

(4) For the purpose of maintaining or increasing assets' value, the Foundation purchased a private equity fund asset management product operated by Shanghai Xingpan Investment Management Consulting Co., Ltd. in August 2020, and held 1.9175% of the shares of the product company Nanjing Wuyuan Oing Venture Capital Center as a limited partner. Limited partners are not allowed to participate in the management and control of the investment business and business decision-making of the partnership, so the investment doesn't impose significant influence on the investee and is accounted for using the cost method.

(5) For the purpose of maintaining or increasing assets' value, the Foundation invested RMB 5 million in the first phase of New Sizzle Value Evolution Private Equity Fund in August 2020. The fund manager is Shenzhen New Sizzle Investment Management Co., Ltd. and the fund custodian is Guotai Junan Securities Limited company.

(6) For the purpose of maintaining or increasing assets' value, the Foundation invested RMB 15 million in the New Creative Multi-Strategy Fund 3 in August 2020. The fund manager is Shenzhen New Sizzle Investment Management Co., Ltd. and the fund custodian is Guotai Junan Securities Limited company.

(7) For the purpose of maintaining or increasing assets' value, the Foundation purchased Penghua Fund Pingtai No. 20 collective asset management plan in August 2020. The fund manager is Penghua Fund Management Co., Ltd. and the fund custodian is Huatai Securities Co., Ltd. Penghua Fund Pingtai No. 20 collective asset management plan is an open-ended hybrid fund, and this fund will exist for five years.

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (All amounts in RMB Yuan unless otherwise stated) (English translation for reference only)

VI. Notes to the financial statements (Cont'd) 6. Long-term debt investments

| Investee | Opening balance | Ending balance |
|--|-----------------|----------------|
| Wanxiang Trust-Real Estate No. 679 (1) | - | 15,037,749.66 |
| Total | - | 15,037,749.66 |

(1) For the purpose of maintaining or increasing assets' value, the Foundation invested 15 million on the long-term trust asset Wanxiang Trust-Real Estate No. 679 in June 2020. The contract will expire on March 5, 2022, and the expected annual rate of return is 8.5%.

7. Fixed assets and accumulated appreciation

(1) Fixed assets listed by categories:

| Item | Opening balance | Increase in the current period | Decrease in the current period | Ending balance |
|-----------------------------------|-----------------|--------------------------------|--------------------------------|----------------|
| 1. Total cost | 752,486.39 | 7,758.42 | - | 760,244.81 |
| Including: Electronic devices | 724,234.18 | 7,758.42 | - | 731,992.60 |
| Office furniture | 28,252.21 | - | - | 28,252.21 |
| 2. Total accumulated depreciation | (514,382.10) | (142,874.28) | - | (657,256.38) |
| Including: Electronic devices | (495,612.04) | (134,726.14) | - | (630,338.18) |
| Office furniture | (18,770.06) | (8,148.14) | - | (26,918.20) |
| 3. Total carrying amount | 238,104.29 | (135,115.66) | - | 102,988.63 |
| Including: Electronic devices | 228,622.14 | (126,967.72) | - | 101,654.42 |
| Office furniture | 9,482.15 | (8,148.14) | - | 1,334.01 |

(2) Fixed assets listed by usage:

| Usage | Opening balance | Carrying amount | Cost | Ending balance |
|----------|--------------------------|-----------------|------------|--------------------------|
| | Accumulated depreciation | | | Accumulated depreciation |
| Self-use | 752,486.39 | (514,382.10) | 238,104.29 | 760,244.81 |
| Total | 752,486.39 | (514,382.10) | 238,104.29 | 760,244.81 |

8. Payables

| Item | Opening balance | Increase in the current year | Decrease in the current year | Ending balance |
|----------------|-----------------|------------------------------|------------------------------|----------------|
| Payables | 6,581,774.79 | 2,513,510.17 | (6,537,138.62) | 2,558,146.34 |
| Other Payables | - | 2,792,464.89 | (2,780,691.47) | 11,773.42 |
| Total | 6,581,774.79 | 5,305,975.06 | (9,317,828.09) | 2,569,921.76 |

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VI. Notes to the financial statements (Cont'd)

8. Payables (Cont'd)

Recipients of payables:

| Item | Opening balance | Increase in the current year | Decrease in the current year | Ending balance |
|---|-----------------|------------------------------|------------------------------|----------------|
| Beijing Yunke Kaichuang Information Technology Co., Ltd. | 1,165,000.00 | - | (968,400.00) | 196,600.00 |
| The affiliated Union Hospital of Tongji Medical College in HUST | 116,976.68 | 623,591.79 | (116,976.68) | 623,591.79 |
| The Second Xiangya Hospital of CSU | 120,351.65 | 408,375.82 | (120,351.65) | 408,375.82 |
| Children's Hospital of Fudan University | 42,320.22 | 222,715.90 | (42,320.22) | 222,715.90 |
| Alibaba Cloud Computing Co., Ltd. | - | 218,000.00 | - | 218,000.00 |
| Children's Hospital of Shenzhen | - | 195,919.00 | - | 195,919.00 |
| Beijing Huaxin Hospital | - | 172,362.53 | - | 172,362.53 |
| Cardiovascular and Cerebrovascular Disease Specialty Hospital of Qinghai Province | - | 160,845.86 | - | 160,845.86 |
| ShanXi Provincial People's Hospital | 5,137,126.24 | 3,197,491.50 | (8,080,779.54) | 264,838.20 |
| Others | 6,581,774.79 | 5,305,975.06 | (9,317,828.09) | 2,569,921.76 |
| Total | | | | |

9. Detailed changes in employee expenses

| Item | Opening balance | Increase in the current year | Payments in the current year | Ending balance |
|--|-----------------|------------------------------|------------------------------|----------------|
| I. Wages and salaries, bonus, allowances and subsidies | 943,789.63 | 12,202,860.45 | (12,241,694.95) | 904,755.13 |
| II. Staff welfare | - | 28,952.26 | (28,952.26) | - |
| III. Social security contributions including: 1. Medical insurance | 383,669.97 | 3,612,544.59 | (3,666,905.11) | 309,309.45 |
| 2. Basic pensions | 127,526.16 | 1,135,756.08 | (1,161,743.92) | 101,536.32 |
| 3. Supplementary medical insurance | 235,939.68 | 2,222,092.64 | (2,266,247.36) | 191,784.96 |
| 4. Unemployment insurance | - | 79,422.38 | (79,422.38) | - |
| 5. Work injury insurance | 9,744.78 | 88,444.87 | (90,243.22) | 7,946.43 |
| 6. Maternity insurance | 1,968.37 | 14,575.09 | (15,263.05) | 1,280.41 |
| IV. Housing funds | 8,490.98 | 72,253.53 | (73,983.18) | 6,761.33 |
| Total | 1,327,459.60 | 18,563,369.30 | (18,676,764.32) | 1,214,064.58 |

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VI. Notes to the financial statements (Cont'd)

10. Taxes payable

| Item | Opening balance | Ending balance |
|-----------------------------------|-----------------|----------------|
| Withholding individual income tax | 105,068.13 | 112,914.05 |
| Total | 105,068.13 | 112,914.05 |

11. Net assets

| Item | Opening balance | Increase in the current year | Decrease in the current year | Ending balance |
|----------------------|-----------------|------------------------------|------------------------------|----------------|
| Limited net assets | 130,156,579.59 | 291,788,811.38 | (224,164,692.12) | 197,776,698.85 |
| Unlimited net assets | 497,002,411.11 | 2,350,840.54 | (41,861,825.00) | 457,491,426.65 |
| Total | 627,158,990.70 | 294,137,651.92 | (266,026,517.12) | 649,270,125.59 |

For the year ended 31 December 2020, movements of the Foundation's net assets amounted to RMB 28,111,134.80. The increase in net assets was generated from the total revenue of RMB 294,137,651.92 (including: unlimited revenue of RMB 2,350,840.54 and limited revenue of RMB 291,788,811.38). The decrease in net assets was generated from the total expenditure of RMB 266,026,517.12 (including: business activity cost of RMB 246,278,490.00, general and administrative expenses of RMB 11,203,035.45 and financing expenses of RMB 8,544,991.67).

12. Revenue

| Item | 2020 | 2019 |
|------------------------------------|----------------|----------------|
| Revenue from donation | 269,779,657.36 | 261,695,154.60 |
| Investment income | 22,667,250.48 | 21,950,228.66 |
| Other income - interest income | 190,744.08 | 194,666.82 |
| Revenue from rendering of services | - | 83,490.57 |
| Revenue from government subsidy | 1,500,000.00 | - |
| Total | 294,137,651.92 | 283,923,540.65 |

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VI. Notes to the financial statements (Cont'd)
12. Revenue (Cont'd)

(1) Revenue from donations with large amount

Entities and individuals with accumulated donation over RMB 5,000,000 and more than 5% of total revenue from donation of the Foundation in 2020 are listed below:

| Donor | 2020 | sub-total | Usage |
|--|----------------|----------------|---|
| 1. Tencent Foundation | 56,067,465.15 | 56,066,655.15 | Medical industry support projects / New coronavirus medical support project / Relief projects for children's medical care specified in the Articles of Association of the Foundation (AI You Angel/Ai You Comfort Lin/Ai You Reborn/Ai You Morning Star/Ai You Young Heart) |
| 2. Petty cash of Alipay (China) Network Technology Co., Ltd. | 45,455,457.53 | 45,332,357.53 | Children's medical care / Children's welfare / Venture Philanthropy projects / Medical industry support projects / New coronavirus medical support projects / Relief projects for children's medical care specified in the Articles of Association of the Foundation (AI You Angel/Ai You Comfort Lin/Ai You Reborn/Ai You Morning Star/Ai You Young Heart) |
| 3. SF Foundation | 21,000,000.00 | 21,000,000.00 | AI You Young Heart |
| 4. UBS Chemical Foundation (Switzerland) Beijing Representative Office | 16,123,533.15 | 16,123,533.15 | AI You Young Heart |
| 5. Customers of Terepay Payment Technology Co., Ltd. | 17,586,929.60 | 50,766.76 | Children's medical care / Children's welfare / Venture Philanthropy projects / Medical industry support projects / AI You Angel / AI You Comfort Lin / AI You Reborn / AI You Morning Star / AI You Young Heart / Mothers specified in the Articles of Association of the Foundation |
| 6. Guangxiangong Trust Co. Ltd | 11,844,000.00 | 11,844,000.00 | New coronavirus medical support project |
| 7. Wuhan Charity Foundation | 11,380,535.48 | 11,380,535.48 | New coronavirus medical support project |
| 8. Beijing Lanya Real Estate Brokerage Co. Ltd | 10,000,000.00 | 10,000,000.00 | Capital reserve |
| 9. Golden Arches (China) Co., Ltd. | 10,000,000.00 | 10,000,000.00 | Capital reserve |
| 10. Shanghai Pudong Development Bank Co., LTD | 6,534,531.51 | 6,534,531.51 | Medical industry support projects / AI You Reborn |
| 11. Yuhang Local Investment Holdings Co., Ltd | 6,000,000.00 | 6,000,000.00 | Children's medical care / AI You Reborn/Ai You Morning Star |
| 12. Venke Foundation | 5,500,000.00 | 5,500,000.00 | Children's medical care / AI You Young Heart |
| 13. Xipai (Shanghai) Food and Beverage Management Co., Ltd | 5,000,000.00 | 5,000,000.00 | Capital reserve |
| Total | 222,293,282.62 | 222,290,169.38 | |

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VI. Notes to the financial statements (Cont'd)
12. Revenue (Cont'd)

(1) Revenue from donations with large amount (Cont'd)

Entities and individuals with accumulated donation over RMB 5,000,000 and more than 5% of total revenue from donation of the Foundation in 2019 are listed below:

| Donor | 2019 | sub-total | Usage |
|--|----------------|---------------|---|
| 1. Petty cash of Alipay (China) Network Technology Co., Ltd. | 36,537,598.64 | 36,537,598.65 | Mothers specified in the Articles of Association of the Foundation/Ai You Hearing Reborn/Ai You Angel/Ai You Comfort Lin/Ai You Reborn/Ai You Morning Star/Ai You Young Heart / Relief projects for children's medical care / Children's welfare / Projects not disclosed |
| 2. SF Foundation (Note X) | 25,000,000.00 | 25,000,000.00 | AI You Young Heart |
| 3. BRIGHT UNISON LIMITED (Note X) | 7,602,516.87 | 11,003,763.27 | Mothers specified in the Articles of Association of the Foundation/Ai You Comfort Lin |
| 4. Beijing Lanya Foundation (Note X) | - | 15,000,000.00 | Mothers specified in the Articles of Association of the Foundation |
| 5. Golden Arches (China) Co., Ltd. (Note X) | - | 15,000,000.00 | Mothers specified in the Articles of Association of the Foundation |
| 6. Mr. Li Rui and UBS (JP) BULS FOUNDATION (Switzerland) Beijing Office (Note X) | 14,596,031.36 | 14,596,031.36 | AI You Young Heart |
| 7. Shuoshen Ai You Future Foundation (Note X) | 12,505,407.51 | 15,546,667.51 | Mothers specified in the Articles of Association of the Foundation/Ai You Angel/Ai You Reborn/Ai You Young Heart/Relief project |
| 8. Alibaba Foundation | 11,000,000.00 | 11,000,000.00 | AI You Young Heart/Ai You Reborn |
| 9. Customers of Terepay Payment Technology Co., Ltd. | 10,704,425.83 | 311.67 | AI You Angel/Ai You Reborn/Ai You Young Heart/Ai You Morning Star/Ai You Comfort Lin/Children's medical care / Children's welfare / Projects not disclosed/Mothers specified in the Articles of Association of the Foundation |
| 10. Tencent Foundation | 7,754,200.07 | 7,754,200.07 | AI You Angel/Ai You Comfort Lin/Ai You Reborn/Ai You Morning Star/Ai You Young Heart/Public welfare |
| 11. Venke Foundation | 7,500,000.00 | 7,500,000.00 | AI You Young Heart/Ai You Reborn/publicity |
| 12. East China Cultural Development (Beijing) Co., Ltd. | 7,000,000.00 | 7,000,000.00 | AI You Young Heart/Ai You Reborn |
| 13. Yuhang Local Investment Holdings Co., Ltd | 6,000,000.00 | 6,000,000.00 | Children's medical care |
| 14. Shanghai Chongqing Advertising Communication Co., Ltd. | - | 6,000,000.00 | Mothers specified in the Articles of Association of the Foundation |
| 15. Shanghai Road Avenue Foundation | 5,000,000.00 | 5,000,000.00 | Mothers specified in the Articles of Association of the Foundation |
| 16. Jiahecare Co., Ltd. | - | 5,000,000.00 | Mothers specified in the Articles of Association of the Foundation |
| 17. Xipai (Shanghai) Food and Beverage Management Co., Ltd | 5,000,000.00 | 5,000,000.00 | Mothers specified in the Articles of Association of the Foundation |
| 18. Morning Star (Shanghai) Foundation | - | 5,000,000.00 | Mothers specified in the Articles of Association of the Foundation |
| 19. Shanghai Chongqing Advertising Communication Co., Ltd. | - | 5,000,000.00 | Mothers specified in the Articles of Association of the Foundation |
| 20. Education Foundation | 158,602,650.31 | 82,808,304.95 | 201,411,955.26 |
| Total | | | |

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

VI. Notes to the financial statements (Cont'd)

13. Investment income

| Item | 2020 | 2019 |
|------------------------------|---------------|---------------|
| WMPs | 22,562,841.55 | 22,060,910.61 |
| Long-term equity investments | 104,408.93 | (140,681.95) |
| Total | 22,667,250.48 | 21,960,228.66 |

The Foundation's WMPs are purchased from banks and trust companies.

14. Business activity cost

| Item | 2020 | 2019 |
|---|----------------|----------------|
| Ai You Young Heart | 55,953,137.60 | 99,991,184.06 |
| Venture Philanthropy | 11,196,706.93 | 38,832,347.09 |
| Ai You Reborn | 26,680,484.98 | 38,194,641.55 |
| Ai You Angel | 16,524,456.88 | 18,504,634.92 |
| Ai You Morning Star | 12,681,022.91 | 18,413,427.99 |
| Ai You Comfort Life | 10,592,968.83 | 16,108,393.86 |
| Medical Industry Support | 24,314,460.19 | 12,982,559.72 |
| Big Data Initiatives | 7,312,579.33 | 8,325,700.28 |
| Ai You Hekang Rehab | 679,966.60 | 2,006,165.99 |
| Ai You Ya an | 172,492.40 | 380,386.85 |
| New coronavirus medical support project | 79,403,855.62 | - |
| Others | 766,317.73 | 1,775,689.30 |
| Total | 246,278,490.00 | 255,515,131.61 |

15. General and administrative expenses

| Item | 2020 | 2019 |
|---|---------------|---------------|
| 1. Employee benefits expense | 8,260,019.21 | 8,633,837.63 |
| 2. Expense for operating supplies and service | 2,943,016.24 | 6,122,094.56 |
| Total | 11,203,035.45 | 14,755,932.18 |

Total general and administrative expenses of the Foundation in 2020 amounted to RMB 11,203,035.45, accounting for 4.21% of total expenditure.

Total general and administrative expenses of the Foundation in 2019 amounted to RMB 14,755,932.18, accounting for 5.27% of total expenditure.

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

VI. Notes to the financial statements (Cont'd)

16. Financing expenses

| Item | 2020 | 2019 |
|------------------------------|--------------|--------------|
| 1. Employee benefits expense | 5,505,402.20 | 5,303,067.18 |
| 2. Technical service fee | 990,207.00 | 2,913,191.50 |
| 3. Service fee | 1,090,347.11 | 557,528.81 |
| 4. Rental expenses | 136,390.63 | 459,418.11 |
| 5. Travel expenses | 82,055.77 | 268,839.05 |
| 6. Production costs | 177,623.46 | - |
| 7. Participation fee | 506,226.42 | - |
| 8. Other financing expenses | 54,745.08 | 137,232.97 |
| Total | 8,544,991.67 | 9,639,277.62 |

Such expenses are presented in the "Cash paid relating to other business activities" in the cash flow statement.

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (All amounts in RMB Yuan unless otherwise stated) (English translation for reference only)

IX. Significant public welfare projects

1. Revenue and expenditure of significant public welfare projects in 2020

| Project | Revenue for the current year | Expenditure for the current year | | | | | Others | Total |
|---|------------------------------|---|--|--|--|---|--------|----------------|
| | | Direct or entrusted cash or goods for beneficiaries | Employee remunerations, volunteer subsidies and insurance incurred for rendering charity services or performing charity projects | Expenditures incurred for use of buildings, equipment and supplies | Expenses for travel, logistics, transportation, meeting, training, audit and assessment for management of charity projects | | | |
| New coronavirus medical support project | 79,483,683.33 | 79,483,704.20 | - | - | - | - | - | 79,483,704.20 |
| AI You Young Heart | 57,953,917.84 | 52,103,796.93 | 1,669,090.68 | 875,530.90 | 1,304,719.09 | - | - | 55,953,137.60 |
| AI You Reborn | 33,851,000.58 | 24,984,821.45 | 502,275.20 | 470,550.80 | 723,037.53 | - | - | 26,680,484.98 |
| AI You Angel | 7,921,467.78 | 15,439,567.72 | 530,286.76 | 165,313.11 | 369,289.29 | - | - | 16,524,456.68 |
| AI You Morning Star | 16,158,662.11 | 11,616,814.35 | 454,294.48 | 253,054.04 | 354,860.04 | - | - | 12,681,022.91 |
| AI You Comfort Life | 7,540,309.54 | 9,314,530.65 | 834,080.15 | 156,772.01 | 287,606.02 | - | - | 10,592,988.83 |
| Venture Philanthropy | 11,613.28 | 10,552,600.00 | - | 203,619.67 | 360,487.26 | - | - | 11,196,706.93 |
| AI You Hekang Rehab | 4,500.00 | 386,984.38 | 261,030.01 | 17,736.28 | 14,235.93 | - | - | 679,986.60 |
| AI You Ya'an | - | 160,559.31 | - | 4,381.77 | 7,551.32 | - | - | 172,492.40 |
| Total | 202,955,154.48 | 204,045,178.99 | 4,251,057.28 | 2,246,958.58 | 3,421,786.48 | - | - | 213,964,981.33 |

"Significant public welfare projects" refer to public welfare projects that meet one of the following criteria:

- The revenue from donation in the project accounts for more than 20% of total revenue from donation of the Foundation for the current year;
- The expenditure in the project accounts for more than 20% of total expenditure of the Foundation for the current year;
- The project duration is longer than 5 years (inclusive).

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (All amounts in RMB Yuan unless otherwise stated) (English translation for reference only)

VII. Description of the numbers, changes and remunerations such as salaries obtained of the council members and employees

- Names and attributions of the council members, the number of council members that obtain remunerations from the Foundation and the amount of their remunerations

| No. | Title | Name | Attribution | Paid by the Foundation or not |
|-----|-----------------------------|---------------|--|-------------------------------|
| 1 | Chairman | Geng Yuan | AI You Foundation | Yes |
| 2 | Vice Chairman | Li Jiajie | Hong Kong Henderson Land Group | No |
| 3 | Vice Chairman | Ma Huateng | Tencent Holdings Limited | No |
| 4 | Director, Secretary-General | Cong Zhigang | AI You Foundation | Yes |
| 5 | Director | Wang Bing | Beijing Dinglian Investment Management Co., Ltd. | No |
| 6 | Director | Cao Guowei | Sina Corporation | No |
| 7 | Director | Jiang Nanchun | Focus Media (China) Holding Co., Ltd. | No |
| 8 | Director | Li Yanhong | Baidu (China) Co., Ltd. | No |
| 9 | Director | Yu Feng | Shanghai Yunfeng Investment Management Co., Ltd. | No |
| 10 | Director | Xiao Feng | China Wanxiang Holdings Co., Ltd. | No |
| 11 | Director | Zhang Yichen | CITIC Capital Holdings Ltd. | No |
| 12 | Director | Zuo Hui | Beijing Lianjia Real Estate Brokerage Co., Ltd. | No |

- For the year ended 31 December 2020, the Foundation had 47 employees in total, down by 11 as compared to the prior year. In 2019, salary paid to employees amounted to RMB 14,728,784.07 with an average monthly salary of RMB 21,150.17 per person. In 2020, salary paid to employees amounted to RMB 13,549,569.36 with an average monthly salary of RMB 24,024.06 per person.

VIII. Notes to the proportion of expenditure related to donation, employee benefits and administrative and office expenses

For the year ended 31 December 2019, the revenue of the Foundation, net of incomes with time limit that are not allowed to be spent in 2019, plus the net assets cleared of the time limit in 2019, amounted to RMB 246,477,651.74. For the year ended 31 December 2020, total expenditure of the Foundation for public welfare activities amounted to RMB 246,278,490.06, accounting for 99.92% of the Foundation's total revenue for the prior year. For the year ended 31 December 2020, the general and administrative expenses amounted to RMB 11,203,035.45, accounting for 4.21% of total expenditure in the current year.

AI YOU FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

IX. Significant public welfare projects (Cont'd)

2. Recipients of large payments in significant public welfare projects

| Project | Usage | Recipients | Amount | % of the significant public welfare project expenditure | % of total expenditure for public welfare project | Usage |
|---|----------------------------|--|---------------|---|---|----------------------------|
| New coronavirus medical support project | Donations | The affiliated Tongji Hospital of Tongji Medical College in HUST | 14,600,000.00 | 18.64% | 6.01% | Donations |
| | | The affiliated Union Hospital of Tongji Medical College in HUST | 7,546,284.43 | 9.50% | 3.08% | Donations |
| Ai You Young Heart | Treatment for ill children | Shanghai Children's Medical Centre, Medical School of SJTU | 4,074,923.78 | 7.26% | 1.65% | Treatment for ill children |
| | | The affiliated Union Hospital of Tongji Medical College in HUST | 3,553,389.98 | 6.36% | 1.44% | Treatment for ill children |
| | | Wuhan Children's Hospital | 3,280,241.33 | 5.86% | 1.33% | Treatment for ill children |
| | | Xinjiang Cardio-cerebrovascular Diseases Hospital | 3,140,705.41 | 5.61% | 1.28% | Treatment for ill children |
| | | Henan Chest Hospital | 2,929,705.09 | 5.24% | 1.19% | Treatment for ill children |
| | | Kaifeng Disabled Children Rehabilitation Centre | 3,571,245.62 | 13.39% | 1.45% | Donations |
| Ai You Reborn | Donations | Nanjing Children Welfare House | 3,078,972.32 | 11.54% | 1.25% | Donations |
| | | Wuhan Children Welfare House | 2,463,157.06 | 9.25% | 1.00% | Donations |
| | | Care Centre for ill Children of Shanghai Baby Home | 2,100,000.00 | 7.87% | 0.85% | Donations |
| | | Beijing Chunmiao Children Rescue Services Exchange Center | 1,500,000.00 | 5.62% | 0.61% | Donations |
| | | Chengdu Children Welfare House | 1,448,665.20 | 5.43% | 0.59% | Donations |
| | | Xian Children Welfare House | 1,360,200.00 | 5.10% | 0.55% | Donations |
| | | The service fee | 2,175,691.09 | 8.16% | 0.88% | The service fee |
| | | Shanghai Sheq Decoration Design Engineering Co., Ltd | | | | |

AI YOU FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

IX. Significant public welfare projects (Cont'd)

2. Recipients of large payments in significant public welfare projects (Cont'd)

| Project | Usage | Recipients | Amount | % of the significant public welfare project expenditure | % of total expenditure for public welfare project | Usage |
|--------------|----------------------------|--|--------------|---|---|----------------------------|
| Ai You Angel | Treatment for ill children | Children's Hospital of Zhejiang University School of Medicine | 2,286,957.20 | 13.84% | 0.93% | Treatment for ill children |
| | | Institute of Hematology & Blood Diseases Hospital, Chinese Academy of Medical Sciences | 1,867,013.59 | 11.30% | 0.76% | Treatment for ill children |
| | | Children's Hospital Affiliated to Suzhou University | 1,413,628.02 | 8.55% | 0.57% | Treatment for ill children |
| | | Guangdong Provincial People's Hospital | 1,411,047.05 | 8.54% | 0.57% | Treatment for ill children |
| | | West China Second University Hospital, Sichuan University | 1,269,498.78 | 7.80% | 0.52% | Treatment for ill children |
| | | Guangzhou Women and Children's Medical Center | 1,226,375.56 | 7.42% | 0.50% | Treatment for ill children |
| | | Beijing Children's Health Foundation | 1,200,000.00 | 7.26% | 0.49% | Treatment for ill children |
| | | Wuhan Union Hospital of China, Tongji Medical School of HUST | 806,878.44 | 5.43% | 0.36% | Treatment for ill children |

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
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X. Related parties and related party transactions

1. Significant related parties

| Name of related parties | Relationship with the Foundation |
|--|--|
| Wang Jing | Founder and investor of the Foundation |
| Li Jiale | Major donor and Vice Chairman |
| SF Foundation | Major donor |
| Beijing Lianhua Real Estate Brokerage Co., Ltd. | Major donor |
| Golden Archers (China) Co., Ltd. | Major donor |
| UBS OPTIMUS FOUNDATION (Switzerland) Beijing Office | Major donor |
| Beijing Xinghan Public Welfare Development Center | Shareholders with the Foundation, and one director of the Foundation also serves as its director (out of 5 directors in total) |
| Beijing Huayun Research Institute of Data Application Technology | Funded and set up by the Foundation |

2. Related party transactions

| Name of related parties | Amount of transaction for the period | Nature of transaction |
|--|--------------------------------------|--|
| SF Foundation | 21,000,000.00 | Donation received |
| Beijing Lianhua Real Estate Brokerage Co., Ltd. | 10,000,000.00 | Donation received |
| Golden Archers (China) Co., Ltd. | 10,000,000.00 | Donation received |
| Mr. Li Jiale and UBS OPTIMUS FOUNDATION (Switzerland) Beijing Office | 18,123,533.15 | Donation received |
| Beijing Xinghan Public Welfare Development Center | 10,552,600.00 | Donation expenditure |
| Beijing Huayun Research Institute of Data Application Technology | 7,140,000.00 | Expenditure of the Foundation for purchasing fruit schemes |
| Wanxiang Trust Co., Ltd. | 104,000,000.00 | |

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
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IX. Significant public welfare projects (Cont'd)

2. Recipients of large payments in significant public welfare projects (Cont'd)

| Project | Usage | Recipients | Amount | % of the significant public welfare project expenditure | % of total expenditure for public welfare project | Usage |
|----------------------|----------------------------|---|---------------|---|---|----------------------------|
| Ai You Morning Star | Treatment for ill children | Children's Hospital of Zhejiang University School of Medicine | 2,774,319.62 | 21.68% | 1.13% | Treatment for ill children |
| | | West China Hospital of Sichuan University | 1,879,279.40 | 14.82% | 0.76% | Treatment for ill children |
| | | Hunan Provincial Children's Hospital | 1,240,906.08 | 9.79% | 0.50% | Treatment for ill children |
| | | West China Second University Hospital, Sichuan University | 828,783.49 | 6.54% | 0.34% | Treatment for ill children |
| | | Wuhan Children's Hospital | 749,367.00 | 5.91% | 0.30% | Treatment for ill children |
| | | Children's Hospital of Fudan University | 665,200.00 | 5.25% | 0.27% | Treatment for ill children |
| Venture Philanthropy | Donations | Beijing Xinghan Public Welfare Development Center (Note X) | 10,552,600.00 | 94.25% | 4.28% | Donations |
| Ai You Comfort Life | Donations | Shanghai Pudong New Area Elipse Foundation | 2,275,600.00 | 21.68% | 0.92% | Donations |
| | | Yushu Jinfa Charity Association | 2,265,053.60 | 21.38% | 0.92% | Donations |
| | | Shanghai Hui Foundation | 809,581.50 | 7.61% | 0.33% | Donations |
| | | Chengdu People's Hospital | 768,421.00 | 7.25% | 0.31% | Donations |
| Ai You Hekang Rehab | Donations or service fee | Hubei Province Urge Children's Rehabilitation Service Center | 200,000.00 | 29.41% | 0.08% | Donations |
| | | CHILD FRONTIERS LIMITED ADD HILLIER COMMERCIAL BUILDING | 141,484.38 | 20.81% | 0.06% | The service fee |
| | | Eden (Nanjing) Technology Consulting Co., Ltd. | 45,500.00 | 6.69% | 0.02% | The service fee |
| Ai You Ya'an | Treatment for ill children | West China Hospital of Sichuan University | 160,559.31 | 93.08% | 0.07% | Treatment for ill children |
| Total | | | 93,967,486.53 | | 38.13% | |

A party is presented as a recipient of large payments in a significant project if the amount paid by the Foundation to the party accounts for more than 5% of the total expenditure of the significant project.

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

XI.

Detailed list of fixed assets (Cont'd)

| Name | Source | Date | Unit | Qty. | Unit price | Amount | Usage |
|---|----------|-------------------|------|------|------------|------------|----------|
| Samsung 15-inch display | Purchase | 31 July 2015 | Set | 1.00 | 659.00 | 659.00 | Self-use |
| Samsung 15-inch display | Purchase | 31 July 2015 | Set | 1.00 | 659.00 | 659.00 | Self-use |
| Projector | Purchase | 30 June 2015 | Set | 1.00 | 2,859.00 | 2,859.00 | Self-use |
| Copier | Purchase | 31 July 2015 | Set | 2.00 | 6,000.00 | 12,000.00 | Self-use |
| Samsung curve display | Purchase | 30 November 2015 | Set | 1.00 | 1,359.00 | 1,359.00 | Self-use |
| Face recognition infrared | Purchase | 30 November 2015 | Set | 1.00 | 4,100.00 | 4,100.00 | Self-use |
| TCL LCD TV | Purchase | 30 November 2015 | Set | 1.00 | 5,999.00 | 5,999.00 | Self-use |
| Call centre system | Purchase | 30 November 2015 | Set | 1.00 | 34,000.00 | 34,000.00 | Self-use |
| UPS power supply | Purchase | 31 December 2015 | Set | 1.00 | 8,600.00 | 8,600.00 | Self-use |
| Beig projector | Purchase | 31 December 2015 | Set | 3.00 | 4,259.00 | 12,777.00 | Self-use |
| Xbox One | Purchase | 31 December 2015 | Set | 1.00 | 3,759.00 | 3,759.00 | Self-use |
| Samsung curve display | Purchase | 31 January 2016 | Set | 1.00 | 1,459.00 | 1,459.00 | Self-use |
| Dell desktop | Purchase | 31 March 2016 | Set | 1.00 | 3,779.00 | 3,779.00 | Self-use |
| GoTOMe projector | Purchase | 31 March 2016 | Set | 1.00 | 12,000.00 | 12,000.00 | Self-use |
| Lenovo X240n 303 classic | Purchase | 31 May 2016 | Set | 1.00 | 4,359.00 | 4,359.00 | Self-use |
| Dell 14-inch laptop | Purchase | 30 June 2016 | Set | 1.00 | 3,659.00 | 3,659.00 | Self-use |
| Dell Vostro 14-inch laptop | Purchase | 30 June 2016 | Set | 1.00 | 3,659.00 | 3,659.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 31 July 2016 | Set | 1.00 | 3,968.00 | 3,968.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 31 July 2016 | Set | 1.00 | 3,968.00 | 3,968.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 31 August 2016 | Set | 1.00 | 3,969.00 | 3,969.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 31 August 2016 | Set | 1.00 | 3,759.00 | 3,759.00 | Self-use |
| MIFRO wireless microphone | Purchase | 31 August 2016 | Set | 1.00 | 2,920.00 | 2,920.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 30 September 2016 | Set | 1.00 | 2,959.00 | 2,959.00 | Self-use |
| Dell Vostro 14-inch light business laptop | Purchase | 31 October 2016 | Set | 1.00 | 3,259.00 | 3,259.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 24 November 2016 | Set | 1.00 | 3,759.00 | 3,759.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 24 November 2016 | Set | 1.00 | 3,759.00 | 3,759.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 29 November 2016 | Set | 1.00 | 3,559.00 | 3,559.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 29 November 2016 | Set | 1.00 | 3,559.00 | 3,559.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 29 November 2016 | Set | 1.00 | 3,559.00 | 3,559.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 29 November 2016 | Set | 1.00 | 3,559.00 | 3,559.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 31 December 2016 | Set | 1.00 | 3,559.00 | 3,559.00 | Self-use |
| Dell Vostro 14VR-1726B 14-inch laptop | Purchase | 31 December 2016 | Set | 1.00 | 3,559.00 | 3,559.00 | Self-use |
| Lenovo B4400A 14-inch laptop | Purchase | 28 February 2015 | Set | 1.00 | 3,969.00 | 3,969.00 | Self-use |
| HP 14-inch laptop | Purchase | 28 February 2015 | Set | 1.00 | 2,949.00 | 2,949.00 | Self-use |
| Total | | | | | | 760,244.51 | |

AI YOU FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

XII.

Operating lease commitments

| Item | 31 December 2020 | 31 December 2019 |
|---------------|------------------|------------------|
| Within 1 year | 2,320,889.95 | 2,824,046.16 |
| 1 to 2 years | 2,320,889.95 | - |
| Total | 4,641,779.90 | 2,824,046.16 |

XIII. Notes to the assets with timing or usage limits posed by assets providers

The Foundation received limited donation amounted to RMB 267,663,741.86 in 2020 donated by entities or individuals. The Foundation used the assets in public welfare projects as specified in the contract.

XIV. Notes to entrusted business

The Foundation had no entrusted business for the year ended 31 December 2020.

XV. Notes to impairment of significant assets

The Foundation had no impairment of significant assets.

XVI. Notes to donated assets and other assets with no reliable fair value

The Foundation had no donated assets and other assets with unavailable fair value as at 31 December 2020.

XVII. Notes to labour service donation received

The Foundation received no labour service donation for the year ended 2020.

XVIII. Notes to events after balance sheet date not subject to adjustment

The Foundation had no events after balance sheet date not subject to adjustment.

XIX. Other pending issues

The Foundation had no other issues need to be specified as at 31 December 2020.

The above financial statements of the Foundation for the year ended 31 December 2020 and notes to the financial statement are prepared in compliance with the Accounting System for Non-governmental Non-profit Organisations.

Name of the Foundation: (Stamp)

Legal representative of the Foundation: (Signature)

Date: 19 March 2021

Head of Financial Department: (Signature)

Date: 19 March 2021

AI YOU FOUNDATION**SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT***[English translation for reference only]***I. 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 Geng Yuan as the legal representative. The address of the Foundation is Room 320609, Building 5, Wangjing SOHO, No. 1 Fuliang East Street, Chaoyang District, Beijing. The Foundation is a 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 2020.

II. Financial position

1. As at 31 December 2020, Ai You Foundation had total assets of RMB 653,167,025.89, of which cash at bank and on hand, short-term investments and receivables amounted to RMB 180,236,840.76, RMB 356,520,803.56 and RMB 2,784,554.08, respectively; prepaid expenses, other current assets, fixed assets and long-term equity investments amounted to RMB 1,317,253.97, RMB 1,119,661.57, RMB 102,968.43 and RMB 111,084,923.52, respectively.
2. As at 31 December 2020, Ai You Foundation's total liabilities amounted to RMB 3,896,900.39, including current liabilities of RMB 3,896,900.39.
3. As at 31 December 2020, Ai You Foundation's total net assets amounted to RMB 649,270,125.50, including limited net assets of RMB 197,778,698.85 and unlimited net assets of RMB 451,491,426.65.
4. Revenue of Ai You Foundation for the year ended 31 December 2020 was RMB 294,137,651.92, including revenue from donation of RMB 268,779,657.36, revenue from government subsidies of RMB 1,500,000.00, investment income of RMB 22,667,250.48, and other income of RMB 190,744.08.
5. Expenditure of Ai You Foundation for the year ended 31 December 2020 were RMB 266,026,517.12, including business activity cost, general and administrative expenses and financing expenses of RMB 246,278,490.00, RMB 11,203,035.45 and RMB 8,544,991.67, respectively.
6. For the year ended 31 December 2020, the Foundation spent a total of RMB 246,278,490.00 in public welfare activities. The revenue of the Foundation for the prior year, net of incomes with time limit that are not allowed to be spent in the prior year, plus the net assets cleared of the time limit, amounted to RMB 246,477,651.74. Total expenditure related to public welfare activities in 2020 accounted for 99.92% of the Foundation's revenue in the prior year. General and administrative expenses, including labour costs, administrative & office expenses and professional service expenses, amounted to RMB 11,203,035.45, accounting for 4.21% of the total expenditure for the current year.

AI YOU FOUNDATION**SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT****FOR THE YEAR ENDED 31 DECEMBER 2020***[English translation for reference only]*

- General information
- Financial position
- Related financial information of the Foundation

AI YOU FOUNDATION
SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT
(English translation for reference only)

III. Related financial information of the Foundation

31 December 2020

| | | | |
|---|--|--|--|
| Name of the Foundation | | Ai You Foundation | |
| Unified social credit code | | 531000005000210435 | |
| Office address | | Room 320609, Building S, Wangling SOHO, No. 1 Fubong East Street, Chaoyang District, Beijing | 6 May 2008 |
| Tel: | | +86 (10) 50948839 | 100102 |
| Legal representative | | Geng Yuan | Revenue from donation |
| Deposit bank | | Vantone Centre Branch of the CMB | |
| Bank account | | 110908540910703 | |
| Name of financial unit | | Financial Department | Tel: 13810074137 |
| Name of accountant | | Gao Shan | Full-time or part-time Full-time |
| Name of bookkeeping agency | | Nil | Name of the person in charge of the bookkeeping agency Nil |
| Unified social credit code | | 531000005000210435 | |
| Branches and representative institutions with bank accounts and their deposit banks and corresponding bank accounts | | Nil | |
| Entities | | Nil | |





爱佑慈善基金会
AI YOU FOUNDATION

📍 中国北京市朝阳区阜通东大街1号望京SOHO-T3-B座609室
NO.1, Fu Tong East Street
Wangjing SOHO-T3-B #609
Chaoyang District, Beijing, China 100102

☎ +86 (10) 5094 8839

☎ +86 (10) 5094 8836

✉ ay@ayfoundation.org

🌐 www.ayfoundation.org



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