



安利公益基金会
Amway Charity Foundation

2018



**Amway
Charity Foundation
2018 / Annual Report**



Preface

Spring breezing across the earth,
Buds breaking ground through new mud,
Brooks rushing with cheerful songs,
Nature revitalizes and ushers in a new year,
While on the road of charity,
We stride on, invigorated for growth.

Over the three years of The Power of "5",
We travelled far and across,
Building 596 village kindergartens, each a lighthouse of love,
Safeguarding the health of over 27,000 preschool children,
Whose tiny, innocent faces,
Light up like stars of the night,
Sparkling with hope.

Persistent is our commitment,
As change is our destination.
For the long road ahead, we celebrate The new journey of every
new day.

Content

02

02 Message from the Chairman

02 Charity, with Seed

03 ACF Profile

03 Organization Objectives, Purposes, Missions

04 Registration Information

04 Organization Structure

05 Overview of The Past 7 Years

06 Awards

07

07 Nutrition to Alleviate Poverty

11 The Power of 5-A Preschool Children's Nutritional Improvement Plan

17 The Spring Spout Nutrition Project

23

23 Amway Targeted Poverty Alleviation Fund

29 Amway Volunteers

35 Industry Advancement And Public Advocacy

39

39 Financial Summary

47 Governance

49 Looking into the Future



Chairman of the Amway Charity Foundation
Gan Chee Eng
March 2019

Charity, with Speed

Time travels fast. The Amway Charity Foundation celebrated its eighth birthday.

To summarize the past eight years in one word, I would say: speed! Over the eight years, the rapidly developing information technology brought infinite possibilities for charity, enabling higher efficiency and new user interaction with reconstructed underlining logic of charity. Supported by science and technology empowerment mobile Internet applications, charity in China is growing with acceleration.

The acceleration is accredited to new technologies. Science and technology have changed not only charity but also the users, forming a new consensus in the community that "Charity is only better when combined with science and technology". All charity organizations are seeking to deepen the integration with science and technology. In 2018, Tencent Technology put forward the concept of "Technology to Do Good", which as we shall see will become the mainstream of the future: The progressing science and technology will provide more support for charity, facilitating the construction of the Community of Common Destiny.

The acceleration stems from a renewed environment. Over the 8 years, charity has become as a popular "trend", enriched and diversified with the ice bucket challenge, donating with sports, charity by walking, one-yuan gallery and other innovative initiatives, as well as in a variety of forms including contributing to charity by donating lunches, steps of running, hours of getting up early and donating "energy". Everyone can easily get involved in making concrete contribution to the public good as a valuable member of the society.

The acceleration benefits from the new strategy. China incorporates poverty eradication planning into its national strategy and executes rigorously and consistently, which demonstrates the firm determination of the Chinese government. It is foreseeable that in the next two years, with the execution of strategy to revitalize rural areas, charity activities to alleviate poverty will grow at a further accelerated rate.

There is no doubt that the three huge external accelerators as mentioned above provide more momentum of acceleration for the Amway Charity Foundation as well as the development of the noble cause that we pursue:

In terms of professionalism, over the eight years since the foundation was established, we have not only determined to pursue the strategic direction of improving children's nutrition, but also become an professional body with immense influence in the area of children's nutrition, with the establishment of the Nutrilite Institute of Children's Nutrition and publications of authoritative research results.

In terms of the main projects, we are exercising deeper intervention to resolve the severe nutrition-related issues affecting children in China, achieving transformation of the status quo with projects including Spring Spout Kitchen for poverty-inflicted boarding school students and The Power of 5 for preschool students.

In terms of the operational model, we grew from internal fund-raising and independent implementation to public fund-raising and integration of social resources as a comprehensive cooperation platform, upgraded from a charity enterprise to a contemporary charity organization with greater openness and power.

In addition, we are constantly promoting public awareness of children's nutrition to create a better social and policy environment. In 2018, we facilitated a CPPCC proposal to focus attention on the nutritional well-being of pre-school children, and in 2019, we further prompted a series of relevant proposals up onto the National People's Congress agenda.

It is a far-reaching undertaking that we are pursuing. A study has shown that brain development in early childhood accounts for "50-75%" of energy used in human body development, and that structural differences in brain development caused by malnutrition lead to a 20 percent gap in performance between children from poverty-stricken families and others. Early nutritional intervention improves not only the physical development of these children, but also their capability of overall development. At a higher level, we are improving not only the capabilities of each individual but also the comprehensive competitiveness of the country as a whole. This is a noble mission that we are tasked with, a constant reminder that we shall accelerate, and accelerate further.

To my colleagues and friends in the charity community, it is a wonderful feeling to experience accelerated development. Let us ride on the eastward wind of a new era, seize the opportunity and enjoy that sense of fulfilment in accelerated growth, telling more heart-touching stories and warming up the world with our charity contribution.





Amway Charity Foundation

In 2011, Amway (China) donated RMB 100 million to found the Amway Charity Foundation. As the first non-public foundation with a multinational corporate background under the direct supervision of the

Ministry of Civil Affairs, ACF focuses on two areas: childhood nutrition and childhood education. In the field of childhood nutrition, we have launched and operated the “Spring Sprout Project” and “The Power

of 5” campaign, helping impoverished children receive the aid and support to prevent malnutrition. In the field of childhood education, we have set up the “Sunshine Project”, the “Friendly Community Project for Rural Children” and others, to help children integrate into communities and grow in safety and happiness. In addition, in terms of volunteer services, we have established the China Volunteers Association (CVA), to spread the spirit of volunteer service and to promote volunteer activities. Finally, in terms of industry development, we have set up the “China Philanthropy Professional Development Program”, to both help create and provide outstanding

professionals for the charity industry, and to accelerate the growth of NGOs. ACF has always carefully observed the progress and development of Chinese society, and, through continuous, active communication and widespread cooperation with the government, charitable organizations, research institutions, donors, volunteers, media and the general public, strived to realize our goal of “promoting equal opportunity and development for children in China’s poverty-stricken areas.”

Objectives

Gather love, extend warmth, and promote equal opportunity for development to children in poverty-stricken areas

Mission

Work to promote the harmonious development of society, help people to be able to live a beautiful life that encourages participation, contribution, and sharing.

Bring together the strengths of multiple areas to help impoverished children gain a better quality of life, a better education and better opportunities for growth and development, thus providing these children with a future of unlimited possibility.

Through holding volunteer events and spreading the spirit of volunteer service, promote an attitude of responsibility in everyday life.

Through research, cooperation, and communication, guide charitable organizations to strengthen their capabilities and effectively promote the sustainable development of philanthropy in China.

ACF Profile

Registration Information

Name: Amway Charity Foundation
Unified Social Credit Code: 53100000717828729Q
Registered with: Ministry of Civil Affairs of the People's Republic of China
Registered Capital: RMB 50 million
Founding Date: January 24, 2011
Registry Number: Organization No. 1081
Supervising Organization: Ministry of Civil Affairs of the People's Republic of China
Legal Representative: Frances Yu
Business Scope: Aid vulnerable children, manage volunteer service, establish charitable funds, provide specialized aid, and carry out cooperation and communication.

Organization Structure

Sponsors: Doug DeVos, Steve Van Andel
Honorary Chairman: Eva Cheng

Board of Trustees

Chairman: Gan Chee Eng
Vice Chairmen: Audie Wong, Patrick Chang, Vincent Hwang, Steve Chan
Director-General: Frances Yu
Trustees: Gan Chee Eng, Audie Wong, Frances Yu, Patrick Chang, Vincent Hwang, Steve Chan, Wang Zhenyao, Wang Ming, Peng Jianmei, Angela Keung, Liza Cheung, Rachel Luo, Jia Chen, Paula Peng
Secretary-General: Paula Peng

Audit Committee

Auditor: Scott Balfour, Cheng Gang, Jinqing Zheng



Overview of the past seven years

Focus on children's growth and social equity, share development with an open China

Since its establishment 7 years ago, ACF has been making stepwise effort to sow the seed of love and see it come to fruition.

Number of volunteer hours: **2,670,000**

Funds invested: **293** million RMB

Total children benefited: **>3** million

Number of volunteers: **106,897**

Regions covered: **319** counties, **22** provinces



Awards



2012/13/15
The 7th, 8th, 9th China Charity Award by the Department of Civil Affairs



2013/14/15
Three-time winner of the "Forbes China Best Charities List"



2014/15/16/18
The "Spring Sprout Project", "China Philanthropy Talents Development Program", and "Power of 5" honored as "Outstanding Projects in Chinese Corporate Citizenship"



2015
Awarded the 4A foundation certification by the Ministry of Civil Affairs



2015/16/17/18
Received full points on the China Foundation Center's Foundation Transparency Index, four years in a row



2018
"Power of 5" won the Southern Weekend "Sustainable Poverty Alleviation Project of the Year"



2018
"Power of 5" won the China CSR Awards for "Best CSR Brand" and "Best Influence" in Education





Nutrition to Alleviate Poverty

Development equity shall be a fundamental right that everyone is entitled to, but in reality, many impoverished children in China do not have access to a fair starting point due to physical underdevelopment and insufficient understanding caused by factors including nutritional poverty and lack of awareness.

Combining the national policy of targeted poverty alleviation and Amway's advantages in the field of nutrition, ACF started off from improving the nutritional status of impoverished children, put forward a strategy of "Nutrition to Alleviate Poverty" and help eradicate poverty in China by breaking the vicious cycle of "nutrition-poverty" and creating an environment of development equality for the children.



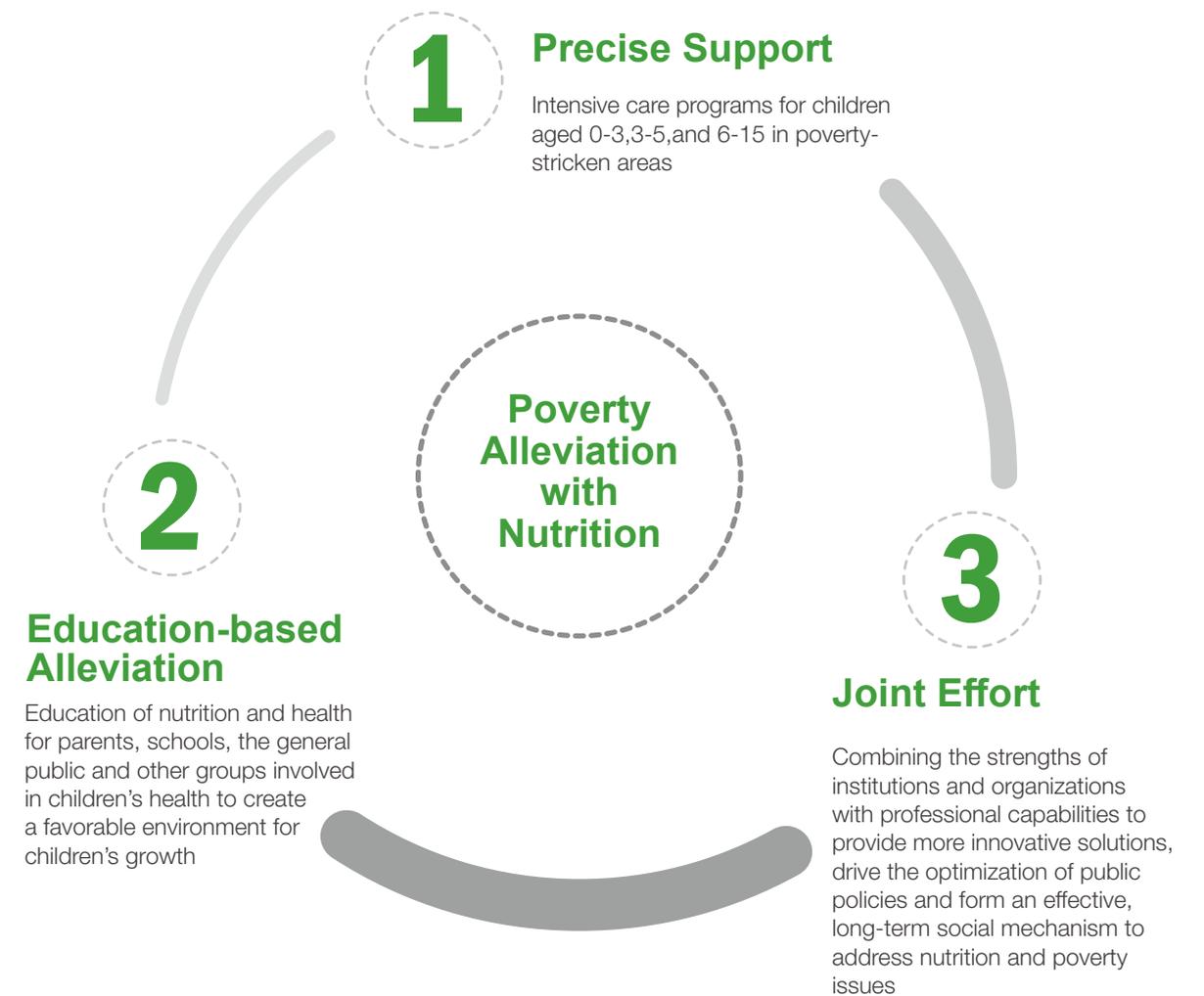


Continuous improvement of the nutritional status of impoverished children

The United Nations has proposed 17 Sustainable Development Goals (SDGs) aimed at addressing development in an integrated manner on the three dimensions of society, economy and environment from 2015 to 2030 and steer the society towards a path of sustainable development. Guided by such goals, ACF has initiated and implemented a range of charity programs, such as the "Spring Sprout Project" and "Power of 5", in an effort to eradicate poverty, extinguish famine and provide quality education, actively assuming social responsibility and achieving gradual improvement of food and nutrition conditions for children in impoverished areas.

Active execution of the Nutrition to Alleviate Poverty strategy

With the implementation of the "Healthy China 2030" Planning Guidelines, "Healthy China" has become as a national strategy and a great process that ACF is ready to participate in and make contribution to the common effort of building a coordinated, well-established health innovation system. With "Spring Sprout Project" as the "hardware" and the "Power of 5" project as the "software", ACF unleashes synergy of the two mutually complementary initiatives to empower targeted poverty alleviation in the field of childhood nutrition and the implementation of the "Healthy China" strategy.





The Power of 5 - A Preschool Children's Nutritional Improvement Project

Beginning in: 2015

Partner institutions: China Development Research Foundation, China Children and Teenagers' Fund, and Chinese Nutrition Society

Program overview: To provide Chinese children in impoverished regions between 3-5 years old with the "Little Bits" chewable tablet nutrition supplement, hold nutrition and health education activities, and assist in the healthy development of children living in poverty.

The Power of 5, giving impoverished preschool children a fair starting point:

- The first charity program in China specifically targeted at improving nutrition for children aged 3-5

- The first philanthropic nutritional product to receive QS certification under the new national standards

- The first set of preschool nutrition and health education courses in China

- Program launched in 596 kindergartens in 16 counties across 10 provinces, including Qinghai, Gansu, Shanxi, and Hunan
Offered 27,000 preschool-aged children continuous nutritional improvement support



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N Nutritional Support

- "Little Bits" – A Little Bit More Nutrition for Children**
"Little Bits" are free chewable nutrition tablets specially developed by Amway Charity Foundation together with the Chinese Society of Nutrition, dedicated to supplement nutrition for preschool children in poverty-stricken areas in China under the "Power of 5" project.
- Nutrient Rich**
Rich in 17 nutrients including calcium, iron, zinc, folic acid and nicotinamide which are essential for a child's healthy growth and development.
- Healthy and yummy**
A sweet taste created with xylitol and Luohanguo (momordica grosevonis) without any sugar - no worries of tooth decay or obesity.
- Chewable and safer**
Avoiding the risk of any potential water pollution in the project area, with the convenience of requiring only one tablet a day.
- Considerate design**
A hole in the middle of tablet designed to prevent any risk of choking or suffocation of young children, ensuring safety in all details and ease of consumption by children.

N Nutrition Education

"The Amazing Golden Beans" is a popular kindergarten game in which a mix of black, yellow (soy), red and green beans is provided to the children for them to sort with chopsticks in a little contest for color sorting accuracy and speed.

This is a vivid example of nutrition education the "Power of 5" project developed by Amway Charity Foundation and East China Normal University, the courses include over 60 lessons covering the five aspects of health, language, society, science and art. The project offers children not only the opportunities to practice hand-eye coordination for better physical development while having fun but also opportunities to learn about various foods and to form an early understanding of nutrition, helping children in improving nutrition and health in the long run along the three dimensions of "knowing, feeling, and practicing".





1. Precise Assistance

Centering on the objectives stipulated in the "National Nutrition Plan" issued by the State Council, the "Power of 5" project utilizes the strengths of the Foundation in respect of social needs to provide targeted nutritional improvements for children between 3-5 years old, assisting in delivering precise poverty relief at the national level.

A "1 + 3 + 5" comprehensive system of assessments has been established for the accurate and comprehensive evaluation of the project's value to the society:

- Health and growth metrics of children are assessed once per year;
- Cognitive capabilities of children are assessed every three years;
- Social influence of the project is assessed every 5 years.



2. Precise Implementation

Free physical examination and sample survey were conducted on children in poverty-stricken areas, and only areas with insufficiency in indicators including the average growth retardation rate, anemia rate and microelements were selected for the precise implementation of the project.

4. Precise Assessment



3. Precise Management

With a mobile Internet management platform, individual profiles have been created for every child participating in the "Little Bits" project to track changes in health data that is regularly uploaded to the platform and to closely monitor the effectiveness in nutritional improvements.

The "Power of 5" model



Sickness-prevention is the best poverty alleviation

The Guzhang county in Xiangxi Autonomous Prefecture, Hunan province, is one of the first poverty-stricken counties to embrace the implementation of the "Power of 5" program.

In the family of Grandpa Xiang, the mother of the children got divorced, and the father was working elsewhere to support the family. The youngest child Xiaoming was sickly from chronic malnutrition.

The average cost for medication alone was more than 1,000 RMB per month, which accounted for almost half of the family's income. Diseases caused by malnutrition became a heavy financial burden to the family, holding the family back from any hope of improvement.

In 2016, all three children of the family joined the "Power of 5" project. With the help of the nutritional tablets "Little Bits", the incidence of illness in the family was significantly reduced within only one year.

To Grandpa Xiang's relief, he is now shouldering much less burden than before. As he sighed with emotions, "Indeed, sickness-prevention is the best poverty alleviation!"





Results Assessment

The Chinese Center for Disease Control and Prevention published a report assessing the effectiveness of the "Power of 5" preschool nutritional improvement project in August 2017, the results of which proved very exciting:

22%

Childhood anemia rate declined by 22% in areas in which the project was operating, significantly reducing the risks of insufficient brain development and cognitive abilities due to poverty;

54%

There was a 54% decline in rates of growth retardation, equivalent to reaching the 2020 goal of the "National Nutrition Plan" three years ahead of schedule;

44%

There was a decline of 44% in the rate of underweight children under the age of 5, placing them on an equal footing with children in urban cities on this metric;

98%

98% of children have been taking one "Power of 5" nutrition tablet every day for three years, accompanying them throughout the preschool period.

In addition, Beijing Normal University evaluation assessments show that:

-  **68.4%** 68.4% of children indicated less food rejection
-  **70.4%** 70.4% of children consumed fewer unhealthy snacks
-  **67.1%** 67.1% of children became more enthusiastic about eating
-  **87%** 87% of children indicated fewer illnesses according to early childhood educators
-  **93.5%** The overall satisfaction rate of the "Power of 5" program reached 93.5%.



Social Influence

"Power of 5" Included in CPPCC Proposal

In March 2018, Zhu Yongxin, a member of the Standing Committee of the Chinese People's Political Consultative Conference (CPPCC), vice chairman of the Central committee of China Association for Promoting Democracy and a well-known education expert, submitted a proposal to the CPPCC on Improving "National Children Nutrition Strategy" and Targeting the Key Growth Stage Between the Age of 3-5.

The proposal cited a number of research and practical data from the "Power of 5" project, emphasized the importance of child nutrition, and called on all sides of the society to carry out nutrition support and intervention for preschool children aged 3-5 in a variety of innovative ways.

The proposal marks a significant increase in the level of awareness and concern about childhood nutrition in China.

The "Power of 5" in the International Conference on Poverty Reduction and Early Child Development

The 6th International Conference on Poverty Reduction and Early Child Development was successfully held in Beijing in November 2018. The conference discussed topics including the 2030 Agenda for Sustainable Development, early childhood nutrition and preschool education.

Amway (China) President and ACF chairman Frances Yu delivered the keynote speech of "Urgency in Improving Nutritional Status of Children of 3-5 Years Old", in which he shared the experience from implementing the "Power of 5" project over the past three years and called for more social attention to the issue of preschool children's nutrition and pooled investment and effort to improve the status quo.

We believe that with the development of society, more people will become aware of the nutritional status of young children and the "Power of 5" will join hands of more friends and partners going forward.





Achievements of the project as of 2018:

22 / 305

22 provinces and 305 counties covered

3855

3855 Spring Sprout Kitchens established

3800

3800 kitchen managers trained

1,940,000

1,940,000 children benefited

570,000

570,000 nutrition manuals distributed to students



Spring Sprout project school students' physical conditions survey results by the Institute of Child and Adolescent Health of Peking University:

1.2%
The 2-week illness rate was 1.2% lower than that of the non-project schools

6.7%
The anemia diagnosis rate was 6.7% lower than that of non-project schools

2.8%
The IQ Excellence rate was 2.8% higher than that of non-project schools

97.8%
The satisfaction rate with Spring Sprout Kitchens was 97.8%

School canteen meal provision rate across the country increased from

47%—65%
(2011) (2015)

The Spring Sprout Nutrition Project

Held from: 2011—2016

Partner institution: China Cares for the Next Generation Working Committee

Program overview: A project dedicated to improving nutritional standards for Chinese children living in rural poverty through the establishment of "Spring Sprout Kitchens" and by training kitchen managers at rural schools in poor provinces of China so that 1.94 million children can have access to reasonably portioned and nutritionally balanced meals, an important step towards comprehensive improvement in children's nutritional levels of the poverty-stricken areas in China, prompting the Chinese government to put forward further policies to support student nutrition improvement. The Spring Sprout Project is now the charity catering project with the largest scope, greatest coverage and largest number of recipients in China and its highly efficient model of integrating government, civil organizations and volunteers is referred to as the "Spring Sprout model" by practitioners in the industry.



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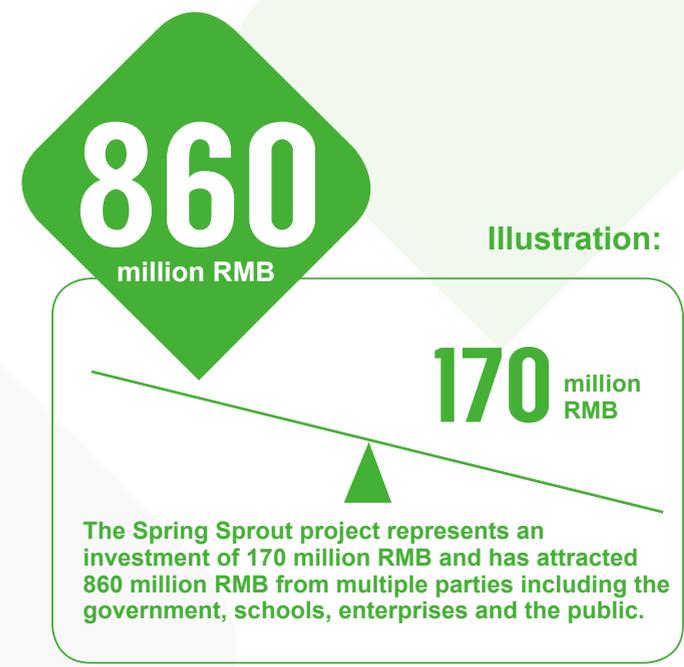
A Bridge towards Growth

Since the project was officially launched in 2011 with the first Spring Sprout Kitchen in Guangxi, the bridge of love has been good will across mountains and rivers, connecting millions of children with the world and providing abundant nutrition meals to accompany children along their journey of growth, bringing numerous possibilities of realizing the dream for a changed destiny.



Interlocked Love and Care

Nutritional meals for the children rely on not only modern equipment but also well-established mechanisms to ensure kitchen management and operation. The Spring Sprout Nutrition Project integrates 8 management systems and a 4-level training mechanism. Through the training of kitchen managers, the formulation of kitchen operation rules and the implementation of volunteer service supervision system, the project has implemented a whole-chain management mechanism and successfully constructed a safety net for the day-to-day healthy eating and well-being of children.



A Leverage that Engages Multiple Parties

As childhood nutrition requires long-term input, the Foundation has summarized its experience and learnings from the project in a replicable "Spring Sprout model" that is replicated and implemented under the joint efforts of the government, enterprises and NGOs, building a healthy home for growth for the children with co-built and self-built kitchens.





External comments:

Upon implementation, the Spring Sprout project has been greatly welcomed by schools and parents in poor areas, supported by all local government departments, and fully affirmed by the state.

——Gu Xiulian
Director of the China National Committee for the Care of Children

The Spring Sprout project rightly focused on the key of kitchen construction from the beginning, providing a model for experimentation for the country in improving nutrition of impoverished students.

——Ma Guansheng
Deputy Director of the National Institute for Nutrition and Food Safety under the Chinese Center for Disease Control and Prevention

I have always admired Amway's creativity and enthusiasm, which is very much needed among people in the charity community including every one of us.

——Lu Mai
Secretary General of China Development Research Foundation

Compared with students in non-project schools, children with support of Spring Sprout kitchens have access to sufficient energy intake with provision of protein, vitamins and minerals, which will provide health benefits for them throughout their lives.

——Ma Jun
Director of the Institute of Child and Adolescent Health at Peking University

In fact, I prefer to see it as an educational plan, as compared to the past when there was no nutrition plan, children would have very different vision, knowledge and even habits.

——Liao Wenke
Deputy Director of The Department of Physical, Health and Art Education under the Ministry of Education

We established eight Spring Sprout kitchens in Jiangxi and we have seen wonderful results. We decided to build eight more in 2015.

——Don Rettig
President of the Owens Corning Foundation

A Connection Point that Ignites the Power of the People

The launch of the Spring Sprout Project was not only well implemented and meticulously managed, starting from a tiny kitchen, it connected the influence and power of all those who care about impoverished children. In these last few years, communication campaigns like “Add 1 for Spring Sprout” and “A Special Lunch” have attracted the attention and participation of millions of people. At the same time that it allowed people to “experience charity”, it also brought real support to the fight against children’s malnutrition.



White Rice Only:

On May 20th, China’s Student Nutrition Day, people were asked to eat just one bowl of white rice, and donate the money they would have spent on other dishes to impoverished children to fight malnutrition.

- ▲ **38,000** people donated RMB **900,000**, establishing **14** Spring Sprout Kitchens in Hebei province.
- ▲ The campaign got **45** million hits on Weibo
- ▲ **180** WeChat accounts reported on the campaign, with **1** million hits
- ▲ **200** traditional and online media reported on it, generating **100** million hits



Amway Targeted Poverty Alleviation Fund

In response to the national strategy of "Targeted Poverty Alleviation", Amway Charity Foundation launched the Amway Targeted Poverty Alleviation Fund project in 2018 so as to provide targeted assistance to poverty-stricken populations by way of person-to-person service. It is a small initiative that demonstrates big love, achieving targeted support to individuals and creating more heart-warming stories.





A Lifeline Across Thousands of Miles

The "Healthcare Project for Children in Western Regions" supported by special funding in Shanghai is a program that selects and deploys medical volunteers to Yunnan province to provide professional medical services. In this year's free healthcare screening, Yang Yihe, a child from Zamudi Community in Lanyong Village, Weixi County, Diqing Prefecture, was diagnosed with congenital heart disease and needed timely medical treatment.

However, Yang Yihe's family was in despair of financial difficulties and was unable to afford the high cost of the surgical operation. With the proactive help from volunteers, Yang Yi applied for aid under the "Healthcare Project Children in Western Regions Charity Surgery" program and received free treatment.

On December 7, volunteers accompanied Yang Yihe and his family to travel from Yunnan to Shanghai to receive surgical treatment at the Children's Hospital. A week later, the operation was successfully completed and little Yihe regained his health. This marks the establishment of a lifeline that spans thousands of miles between Yunnan and Shanghai.

Chickens Peck Open the Door to Wealth

The village of Ayakemisang in Yamangya Township, Shule County, Xinjiang Autonomous Region, is a deeply impoverished village. Here, there are more people than there is land, and with its single planting structure, it is extremely difficult to eradicate poverty in the short term. The industrial structure must be adjusted to broaden the villagers' access to wealth.

Amway Targeted Poverty Alleviation Fund investigated the actual situation in the local area and decided to introduce poultry farming projects for the village. A total of 1,500 pastoral black baby chickens were eventually donated to 30 impoverished households in the village in hopes of helping the villagers achieve actual "sustainable" poverty eradication, transitioning from "reliance on external transfusion" to "independent blood production".

"I know the techniques and I have the technology to breed, but I could not find a good breed of baby chickens. Now, with the 50 baby chickens, I am thrilled and I look forward to getting rid of poverty in the near future," looking at the lively baby chickens, villager Biliczi Bhabimi said excitedly.

Lage's free ticket

Lage (alias) is a fifth-grade student of Temuli Primary School in Butuo County, Liangshan Prefecture.

The Butuo County is in the mountainous area of severe coldness. Lage's home is in Niujiawan Township, far from the school she attends. Every week, when Lage came home from school, she had to make a decision between spending 5 RMB on the ride and then walking for more than four hours to get home or spending 40 RMB on the ride and then walking for 20 minutes to get home.

Lage's family is far from being well-off. In order to save as much money as possible, the thoughtful little girl Lage always insisted on spending the least money and walk as much as possible. In summer, the mountains are wet and muddy due to the rainy season, while in winter, the snow brings unbearable coldness. It was in these conditions that little Lage trudged along the long and rugged mountain roads for many years.

By funding the "Free Ticket" project in Daliangshan District, Amway Targeted Poverty Alleviation Fund is providing free tickets to children from poor families who had to travel for more than two hours to school. Upon knowing the good news, the little girl Lage almost jumped with joy. "With free tickets, I can get home earlier!" she exclaimed.





The sound of reading travels across thousands of miles, strengthening village education in the mountains

In May, the "Voice of Spring Sprout" charity reading event was held in Nanning. Volunteers gifted their voices to the Spring Sprout schools in the mountains, invigorating the classroom with a fresh splash of color.

Guo Hairong, a teacher, came from Guangzhou by train to participate in the event. She was also once a left-behind child, lack of her parents' presence in her memories growing up, which for her is indelible. Despite the shortness of stay, she believes that the voice she left behind, which almost felt tangle, will bring a precious sense of companionship to those lonely children.

Liu Runkai, a seventh-grade student, came to the event with his mother. As it was also Mother's Day, he said to his mother, "Shall we join the charity activity so I can give you a Mother's Day gift to you with this certificate?"

In that small reading booth, such moving scenes take place every day. We see love taking root in the younger generation, blooming beautiful flowers. The heart-touching voices of reading will travel far into the mountain villages, guiding the children there to feel the outside world and helping them pursue a future of their own.



Eradicate loneliness of left-behind children with companionship

On October 30, 60 volunteers set off from Wuhan to Menglong Primary School in Huangshapu Town, Tongshan County, to spend a day with the left-behind children at the Spring Sprout Schools in the mountains.

These enthusiastic visitors arrived upon surprises of the children. Everyone began to know each other from playing the game "Embrace of Love" and soon became as familiar as long-lost friends. Children and the volunteers thoroughly enjoyed themselves together playing tug-a-war and "Radish Squats".

Nutritional improvements are only the first step in children's growth. In China's vast rural areas, the hearts of tens of millions of left-behind children require more care. The Foundation supports Amway volunteers' long-term one-on-one pal-pairing with left-behind children at Spring Sprout schools, driving away their loneliness with companionship. A day of friendliness brought laughter to the campus as the extension of the love of Spring Sprout, releasing warmth and will continue to accompany the children in their growth far into the future.



15 years since its establishment

221

221 National Volunteer Service Teams

106,897

Number of Volunteers: 106,897

267

Cumulative service time: Over 2.67 million hours



Amway Volunteers

The booming volunteer service is the brightest color of China in the 21st century.

Amway Volunteer Association was established in 2003 and is active in various fields such as disability assistance, education, environmental protection, large-scale competitions and conventions as well as disaster relief. The volunteers assist the vulnerable groups of the society to ensure social equity, transmitting positive energy across the vast land of China and composing a beautiful song of youth.





Hand in Hand, Exploring A New Home in the City

With the development of economy, the movement of people has become a common social phenomenon. Nowadays, a large number of "migrant children" live in urban areas, where the sense of alienation from the city often leaves confusion and shadow in their childhood memories. The Amway Fujian Volunteer Association has made it an important area of work to help these migrant children integrate into their cities.

"Let's take an adventure and get to know our new home Fuzhou." Every weekend or on public holidays, volunteers from Amway Fujian Volunteer Association would teach these migrant children how to read maps and take buses, taking them through alleys, enjoying snacks, seeing historical sites, visiting museums, and integrating into the daily life of the city. Gradually, affection for Fuzhou grew in the hearts of these children. They are no longer a stranger in the city.

"I love Fuzhou! This is my home!" the children hailed with Joy.



Get Moving and Enjoy Protecting the Environment

In Tianjin, the "Amway Environmental Interactive Education Theme Park" event has been running for several years.

Here, environmental protection is no longer a boring sermon. Volunteers lead the parents and children of environmentally friendly families to act as "Forest Police" to drive away poachers and protect small animals, join the "Marine Guards" to clean up all kinds of garbage in the sea, participate in "Fun Afforestation" to create a green and clean ecological environment, and participate in "Air Clean-up" to remove smog ... More than 20 interactive experience-based games let adults and children alike into this magical world to learn knowledge, enhance awareness and cultivate habits of environmental protection in joint participation, hand in hand.

A happy day of fun, parents and children alike thoroughly enjoyed a wonderful time.



Love Travels Far with Music

Music not only brings the artistic enjoyments but also nourishes the young minds of our children.

In Shanghai, "Love with Music" has become a charity event starter of the annual New Year's Charity Concert. The Foundation invites musicians to join the volunteers, allowing children from blind children's schools and sunshine homes to get close to art masters, listen to wondrous music, develop their dream of music and bring joy and warmth to the children suffering from sickness.

In Zhejiang Province, the volunteers guided children into the "Amway Happy Music Classroom" and began an exploration of music. Chorus, group singing, dancing, recitation and role-plays, everything seemed novel and interesting. Learning, rehearsing and performing, a week of experience-rich summer camp trip opened the door for the children to see whole new world of art.



Read, and listen to the growth of heart

Xiaohui is a left-behind child in the Zhenyan Primary School in Tangkou Town, Jining City. Her parents work in Guangdong, and she is usually taken care of by her grandparents.

Lacking parents' companionship, Xiao Hu is very introverted and shy. At school, Xiaohui seldom reads extra-curricular books and rarely communicates with his classmates. Amway volunteer Liu Feng is very concerned about Xiaohui's growth, and he consulted the relevant information and materials on children psychology and decided to encourage her interest in learning and build self-confidence starting from developing a habit of reading.

He accompanied Xiaohui in reading books after class, and also took note of Xiaohui's contact number. He called weekly and has been constantly encouraging Xiaohui. Day after day, reading aloud allows Xiaohui to hear her voice from within. She became more cheerful and outgoing, with greater motivation to learn.

In a recent call, Xiaohui happily told Liu Feng, her "big brother", that her writing was praised by the teacher, and she will continue to work hard in the future so that more will see her progress.



Industry Advancement and Public Advocacy

Since its establishment, ACF has been focusing on promoting the development of the industry.

The Foundation pays attention to social innovation actions, supports the training of charity talents, promotes the construction of charity legal system, and contributes to the development of the whole charity community. The future of charity will see a bigger platform with more participants, and in forms that better reflect the characteristics of the new era. We are in it, together. Let us join hands and witness the progress.





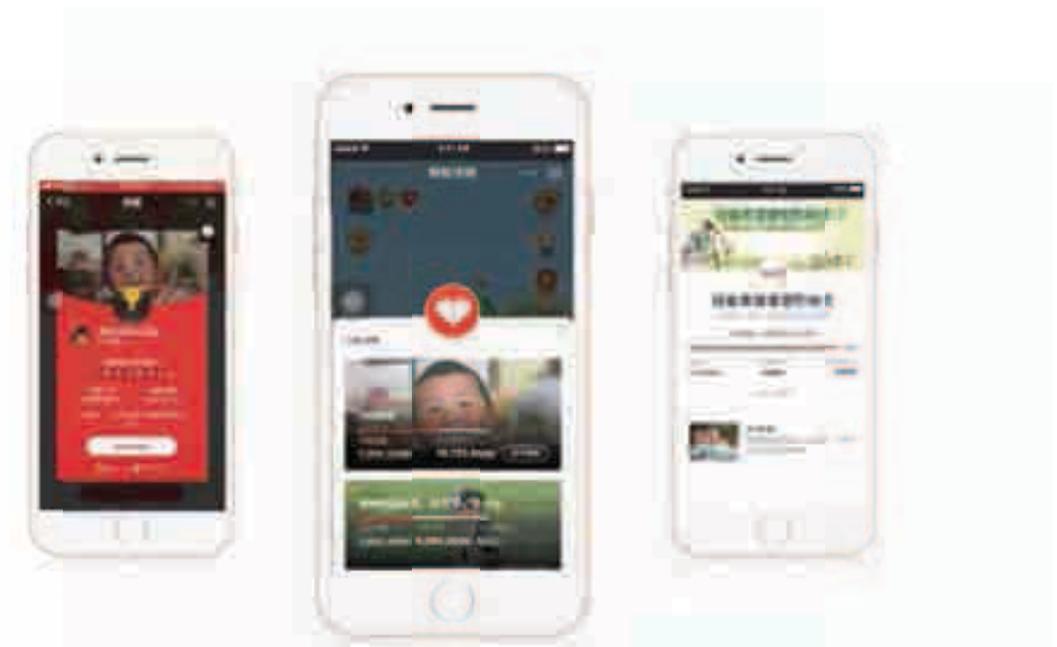
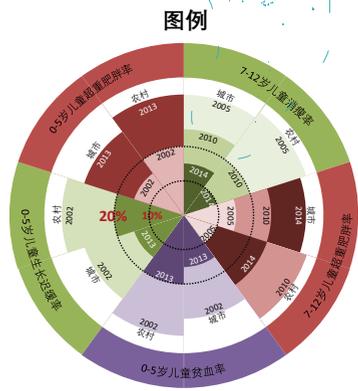
The Newly-launched Nutrilite Nutrition Map

The Nutrilite Nutrition Map was launched in January 2019.

The map clearly shows the detailed data of children's health problems such as anemia, growth retardation, emaciation and obesity by province and age group, providing a "one-stop data chart" for the nutritional status of children in China today.

This public welfare initiative was co-sponsored by Amway Charity Foundation and Chinese Society of Nutrition and jointly participated by the Institute of Nutrition and Health of China CDC and the Institute of Child and Adolescent Health of Peking University. The project was based on a sample of children aged 0-12 years and integrated data from previous years for specialized research. The results will be compared with indicators such as national health literacy, family healthcare expenditure and adult well-being to explore the causes and responses to child nutrition problems and provide data support to relevant government departments, academic institutions and social welfare groups.

This is the first cross-disciplinary research into the factors influencing children's health in China that lays a solid foundation for the future development towards health for children in China.



Donate eggs, gather love

"Raise chickens, donate eggs" – Cheer and celebrate the public welfare projects. Young people are having fun in Ant Manor, a charitable social media game developed by Alipay. More than 200 million people are playing online every day, demonstrating the unprecedented enthusiasm of the new generation for social welfare and charitable causes.

The Amway Charity Foundation has joined this interesting cross-industry cooperation. Within only 14 days after the Foundation joined Ant Manor, a total of **30,440,579** people donated **173,459,135** eggs online, propelling the "Power of 5" project to the top of the donor list and also gaining greater public recognition and appreciation.

Walking is Donating

In 2018, the Amway Charity Foundation joined hands with Tencent Charity Hiker to launch Nutrilite's Walk & Donate initiative, in which by posting the record of steps walked per day recorded in WeChat Sports, Amway will donate a corresponding amount to the "Power of 5" charity project.

Health is "the new black" for young people. The Walk & Donate initiative was warmly welcomed by hikers and enthusiasts of healthy living. In 2018, **2.55** million participants donated a total of **83.6** billion steps, which is the equivalent of providing for **7,143** children with an entire year's worth of nutritional improvements. Walk is donating. Together, let's get moving.

Internet-based Support Platform





Audit Report

Auditor's Report

Zhongpingjian Huahao (2019)
Audit No. 19007

To Amway Charity Foundation:

We have audited the accompanying financial statements of Amway Charity Foundation, including the Balance Sheet as at Dec. 31st, 2018 and the 2018 Annual Business Activity Table, Cash Flow Statement and the notes to financial statements.

1. The management's responsibilities for the financial statements

The management of Amway Charity Foundation is responsible for the preparation and fair presentation of financial statements. The responsibilities include: (1) preparing the financial statements in accordance with Accounting Standards for Non-governmental Non-profit Organizations to achieve fair presentation; (2) designing, implementing and maintaining necessary internal control to enable the financial statements be free from material misstatement, whether due to fraud or error.

2. The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards for Certified Public Accountants in China and Guidelines on Audit of Financial Statements of the Foundation. Those standards require that we comply with professional and ethical requirements of Chinese certified public accountants, and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

3. Auditing opinion

In our opinion, the financial statements of Amway Charity Foundation are prepared in accordance with Accounting Standards for Non-governmental Non-profit Organizations and present fairly, in all material respects, the foundation's financial position as at December 31st, 2018 and the consolidated operating results and cash flows for the year then ended.



China Certified Public Accountant
Xiao Qiaochi

Beijing Zhongpingjian Haohua Certified
Public Accountants Co., LTD. Beijing
China



China Certified Public Accountant
Gao Liangshang

Jan. 25th, 2019



Balance Sheet

Financial Statements

Compiled by: Amway Charity Foundation 31-December, 2018 Unit: Yuan (RMB)

Assets	Row No.	Year-beginning	Year-end	Liabilities and net assets	Row No.	Year-beginning	Year-end
Current assets:				Current liabilities			
Money capital	1	10,054,406.96	5,595,610.60	Short-term borrowings	24		
Short-term investments	2	79,000,000.00	87,500,000.00	Accounts payable	25	67,732.00	754,005.00
Accounts receivable	3	339,552.25	402,041.59	Taxes payable	26	28,179.42	26,445.71
Payment in advance	4			Account received in advance	27		
Inventories	5			Wages payable	28		
Prepaid expenses	6			Provision for expenses	29	35,000.00	120,000.00
Long term debt investments maturing in a year	7			Accrued liabilities	30		
Other current assets	8			Long term liabilities due within one year	31		
Total current assets	9	89,393,959.21	93,497,652.19	Other current liabilities	32		
				Total current liabilities	33	130,911.42	900,450.71
Long term investments:							
Long-term equity investment	10			Long term liabilities:			
Other long term investments	11			Long-term borrowings	34		
Total long term investments	12			Long-term accounts payable	35		
Fixed assets:				Other long-term liabilities	36		
Fixed assets-cost	13			Total long-term liabilities	37		
Less: Accumulated depreciation	14			Entrusted debt:			
Fixed assets-net value	15			Entrusted debt	38		
Construction in progress	16			Total liabilities	39	130,911.42	900,450.71
Cultural relics and cultural assets	17						
Disposal of fixed assets	18			Net assets:			
Total fixed assets	19			Unrestricted net assets	40	82,167,724.07	88,413,377.76
Intangible assets:				Restricted net assets	41	7,095,323.72	4,183,823.72
Intangible assets	20			Total net assets	42	89,263,047.79	92,597,201.48
Entrusted assets:							
Entrusted assets	21						
Long-term prepaid expenses	22						
Total assets	23	89,393,959.21	93,497,652.19	Total liabilities and net assets	43	89,393,959.21	93,497,652.19

业务活动表

2018 年度

编制单位: 安利公益基金会

金额单位: 人民币元

Items	Row No.	Previous year			Current year		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Income:							
Income from donation	1	14,486,200.00	8,983,730.92	23,469,930.92	16,342,600.00	3,533,777.76	19,876,377.76
Income from offering services	2						
Income from selling commodities	3						
Income from government subsidies	4						
Income from investments	5	2,095,234.79		2,095,234.79	2,519,844.44		2,519,844.44
Other income	6	115,259.39		115,259.39	127,016.06		127,016.06
Total income	7	16,696,694.18	8,983,730.92	25,680,425.10	18,989,460.50	3,533,777.76	22,523,238.26
Expenses:							
Business activity expenses	8	9,865,926.00		9,865,926.00	18,391,074.28		18,391,074.28
Management expenses	9	357,214.88		357,214.88	484,638.63		484,638.63
Financing expenses	10	434,141.52		434,141.52	313,371.66		313,371.66
Other expenses	11						
Total expenses	12	10,657,282.40		10,657,282.40	19,189,084.57		19,189,084.57
Unrestricted net assets converted from restricted net assets	13	7,343,222.89	-7,343,222.89		6,445,277.76	-6,445,277.76	
Adjustments of net asset	14						
Amount changes in net assets ("-" means decrease)	15	13,382,634.67	1,640,508.03	15,023,142.70	6,245,653.69	-2,911,500.00	3,334,153.69

Cash Flow Statement

2018

Compiled by: Amway Charity Foundation

Unit: Yuan (RMB)

Items	Row No.	Amount
Cash flows from business activities:		
Cash received from donation	1	19,876,377.76
Cash received from membership fees	2	
Cash from offering service	3	
Cash from selling commodities	4	
Cash received from government subsidies	5	
Other cash received relating to business activities	6	101,752.49
Sub-total of cash inflows	7	19,978,130.25
Cash paid for donation or sponsorship	8	16,686,484.01
Cash paid to and on behalf of employees	9	1,444,410.57
Cash paid for goods and services	10	
Other cash paid relating to business activities	11	288,659.01
Sub-total of cash outflows	12	18,419,553.59
Net cash flows from business activities	13	1,558,576.66
Cash flows from investing activities:		
Cash received from disposal of investments	14	268,500,000.00
Cash received from returns on investments	15	2,482,618.67
Cash received from disposal of fixed assets and intangible assets	16	
Other cash received relating to investing activities	17	
Sub-total of cash inflows	18	270,982,618.67
Cash paid to acquire fixed assets and intangible assets	19	
Cash paid to acquire investments	20	277,000,000.00
Other cash paid relating to investing activities	21	
Sub-total of cash outflows	22	277,000,000.00
Net cash flows from investing activities	23	-6,017,381.33
Cash flows from financing activities:		
Cash received from borrowings	24	
Other cash received relating to financing activities	25	
Sub-total of cash inflows	26	
Cash repayments of amount borrowed	27	
Cash payments for interest expenses	28	
Other cash payments relating to financing activities	29	
Sub-total of cash outflows	30	
Net cash flows from financing activities	31	
Effect of foreign exchange rate changes on cash	32	8.31
Net increase in cash and cash equivalents	33	-4,458,796.36

Cash

Type of Cash	Currency	Year-beginning book balance (RMB)	Year-end book balance (RMB)
Cash	RMB	0.00	0.00
Cash in bank	RMB	10,054,406.96	5,595,610.60
Other cash	RMB	0.00	0.00
合计		10,054,406.96	5,595,610.60

Business Activity Expenses

Items	Current year	Previous year
Expenses from donation	18,391,074.28	9,865,926.00
Expenses from offering services	0.00	0.00
Expenses from selling commodities	0.00	0.00
Expenses from government subsidies	0.00	0.00
Taxes and associated expenses	0.00	0.00
Total	18,391,074.28	9,865,926.00

Income from Donation

Items	Current year	Previous year
Restricted donations:	3,533,777.76	8,983,730.92
Monetary donations	3,533,777.76	8,983,730.92
Non-monetary donations	0.00	0.00
Unrestricted donations:	16,342,600.00	14,486,200.00
Monetary donations	16,342,600.00	14,486,200.00
Non-monetary donations	0.00	0.00
Total	19,876,377.76	23,469,930.92

Large Donations

In 2018, the total donation income of Amway Charity Foundation is 19,876,377.76 rmb, and large donations listed below account for 5%.

Donors	Current year			Purposes of donation
	Restricted	Unrestricted	Total	
Amway (China) Co., Ltd	910,000.00	16,290,000.00	17,200,000.00	For public welfare programs and daily administrative expenses
Monetary donations	910,000.00	16,290,000.00	17,200,000.00	
Non-monetary donations	0.00	0.00	0.00	
Total	910,000.00	16,290,000.00	17,200,000.00	

Governance

Formalized internal governance

The Board of Trustees Meeting Minutes and Resolutions

In September and December 2018, two sessions of the Second Board of Trustees were held, in which trustees reviewed and evaluated the Amway Charity Foundation's Work Report and Financial Report.

Major Public Welfare Program Payments

Items	Pay to	Amount	Percentage in annual public welfare expenses %	Purpose
The Power of 5	China Children and Teenagers' Fund	8,100,000.00	44.05%	Donation to "The Power of 5" special fund
	China Development Research foundation	2,000,000.00	10.87%	"The Power of 5" - preschool volunteer expenses
	National Institute for Nutrition and Health Chinese Center for Disease Control and Prevention	631,760.00	3.44%	"The Power of 5" - health check and assessment fee
	Jiaxin Derun (Beijing) Technology Co., Ltd	600,000.00	3.26%	"The Power of 5"- Lingxi platform service fee
Nutrilite Institute of Children's Nutrition	Chinese Nutrition Society	1,500,000.00	8.16%	Children nutrition research
China Development Research foundation Partnership	China Development Research foundation	1,000,000.00	5.44%	Sponsorship of 2018 International Conference on Poverty Reduction and Early Child Development

According to the Board of Trustees, vendors mentioned above have no affiliations to Amway (China) Co., Ltd and any executives of Amway Charity Foundation.

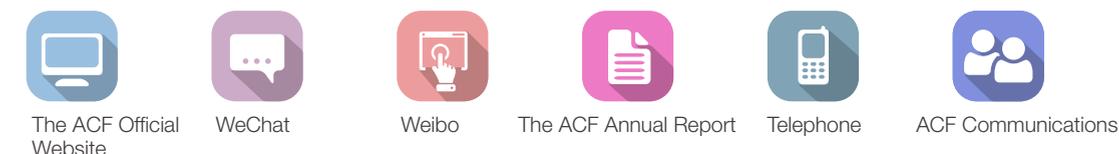
Related Transactions

Name of Involved Party: Amway (China) Co., Ltd.
Name of Legal Representative: Frances Yu
Relationship to ACF: Sponsor; major contributor of members of the Board of Trustees; main donor
Nature of Related Transaction: Donation
Amount of Related Transaction: RMB 168 million
Major lawsuits: None
Major purchase or sales of assets: None
Punitive incidences against board or administrative personnel: None
Crisis management/ Media Responses: None

A Perfect Information Disclosure System

ACF maintains active and open communication with all stakeholders and the general public. At regular intervals, ACF submits accurate, timely, complete work reports, sales performance and financial audit reports to supervisory and auditory departments; voluntarily discloses the foundation's revenue from donations, the progress of all projects, its development direction and its views to the public; publishes the core content of its annual inspection in the Ministry of Civil Affairs' appointed public newspaper; and voluntarily participates in the evaluation of social organizations under the leadership of the Ministry of Civil Affairs.

Channels for information disclosure:



Strict Internal Control Management

ACF applies its sponsor, Amway's, experience in the management and operation of a multinational corporation to the management of the foundation. We are continuously improving the management systems for each of the foundation's projects, through supervising processes, risk control and brand management, in order to increase standardization of the foundation's operations, lower and prevent management risks, and increase the influence of the brand.



2019 Outlook

2018 has been a year of full harvest for Amway Charity Foundation.

The "Power of 5" project continues to improve the nutritional status of pre-school children. The project coverage has been further expanded, the number of children benefited increased and the physical indicator assessment data improved. We continue to support specialized research in the field of childhood nutrition, promote national awareness and attention to the field of children's health, and partner with more charity community members to devote to China's national strategy of targeted poverty alleviation, practicing Amway Charity Foundation's unchanged commitment to "gather love, extend warmth, and promote equal opportunity for development to children in poverty-stricken areas".

In 2019, the Foundation will continue to work around the "Power of 5" project, expanding the project coverage, promoting project upgrades and providing as much assistance as possible to more pre-school children in poverty-stricken areas:

1. Continue to scale up the "Power of 5" project and expand coverage to benefit more

In 2019, the "Power of 5" project plans to expand to two new provinces, Tibet and Shaanxi, bringing the number of provinces covered by the project to 12 and the number of benefited children to 50,000;

2. Upgrade project content to meet new demand

Nutrition education content upgrade: Adding courses of developing healthy habits and inspiring intelligence to the curriculum, expanding and enriching the content of nutrition education.

New health support programs: Providing "Good Habits Sanitary Kits", one-square-meter kitchenette, tiny sleeping beds and other facilities to improve kindergarten infrastructure and better promote the healthy growth of children.

3. Continue to support professional research in the field of childhood nutrition

In 2019, we will focus our support on two assessment initiatives:

Physical Indicator Assessment of children in cooperation with China CDC to track physical changes of the children

Comprehensive development assessment of children in cooperation with the Institute of Psychology of the Chinese Academy of Sciences to track the comprehensive development status of children in the five dimensions of overall sports, specific sport categories, cognition, communication and social behavior.

4. Actively participate in the social charity promotion to increase the "Power of 5" influence

Strengthen cooperation with the Internet charity platforms and combine with the Foundation's own project brand advocacy programs to achieve public fund-raising and raise public awareness.

5. Continue to strengthen industry cooperation and promote the overall development of charity undertaking

In the future, the Foundation will continue to work with relevant institutions to promote joint solution of children's nutrition problems, strengthen cooperation in relevant industries, strengthen the power of charity actions, broaden the platform in the field of public welfare, engage in interaction with the public to create more opportunities for the public to participate in the promotion and implementation of charitable projects, and promote charity concepts to the society.





扫描二维码关注安利公益基金会



安利公益基金会
Amway Charity Foundation

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