



安利公益基金会  
Amway Charity Foundation



# 2013

## ANNUAL REPORT

AMWAY CHARITY FOUNDATION





## Preface

### In 2013,

Though it has been a long, weary journey  
We continue our strong and steady pace.

Because we firmly believe  
Changes are happening all around us

We see  
The smoke rising from the chimneys of Spring Sprout kitchens;  
Rural children picking up their bowls, smiles lighting their faces;  
The joyous laughter of the Sunshine Activity Groups;  
Urban and migrant children walking into the future hand in hand.  
These are not just moments of happiness,  
But steps toward building a better future.

We cherish these changes—  
In every child impacted,  
In the life of every family,  
In every village, in every town,  
Though it may be small, so small it's easy to miss  
It is steadfastly growing, shining out as bright as the sun.  
Because every child has the right to hope and dream,  
Regardless of whether they live in the city or the countryside.

Each year the cycle begins again  
But there are always firsts.  
The completion of the first appraisal of the Spring Sprout Project;  
The first overseas institution to give their support to our cause;  
Our first appearance on the international charity stage;  
The first time we were included in Forbes China's "Best Charities List";  
All of these "firsts" made 2013 a year filled with fond memories.

2013 was not only a year of changes, but also of perseverance.

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ACF Chairman



May 2014

## Charity's "True North"

It's been three years since the Amway Charity Foundation was established. Since its creation in May 2011, based upon the desire to give back to Chinese society, ACF has grown and matured. In these last three years, hard work has gone hand in hand with joy and excitement, and our efforts have been rewarded with enormous gains. To all of our colleagues, partners, volunteers, and other donors: your unfailing trust and support are our most precious assets and our inspiration to keep pushing forward.

On September 12, 2013, ACF held the initial results release conference of Amway Charity Foundation's Spring Sprout Project at the conference, ACF released the results of all aspects of the Spring Sprout Project to the public for the first time. We are incredibly pleased with the success of this project. For me, the most exciting part of the conference was the results of the study led Ma Jun Director of the Institute of Child and Adolescent Health of Peking University. Professor Ma's research team measured the overall development, nutrition, health, and intellectual development of children participating in the Spring Sprout Project as opposed to averages for local areas. The study found SSK children showed notable improvements in all areas, proving that Spring Sprout Kitchens have truly become the "Nutrition Stop" for millions of children.

Years of management experience tell us that providing an excellent customer experience is both the starting point and the backbone of our work. As a charity foundation, our most important customers are the people in need of our help. The core of our work is to promote positive change in the lives of those impacted by our projects and, by changing their lives today, open the door to a brighter tomorrow. This is the "true north" of all charity work, and, as such, is also ACF's. Flowers and applause may be gratifying; accolades and acclaim may make us proud; but a charity's true success lies here within the numbers. Because they represent more than just scale or a headcount—each one is a genuine, individual change happening right before our eyes.

So then, how do we start moving towards charity's true north? I believe there are three important methods.

First, use innovative thinking to find the best possible method. Societal problems are not simple and, even as a charitable organization, our reach has its limits. Therefore it is necessary that we find the best possible starting points and design the most effective methods possible in order to produce substantial results.

Second, use brand management principles to manage charitable projects. We should use the research, standards, supervisory, and appraisal cycles of brand life cycle management to form a perfect chain of management for charitable projects.

Third, use strategic vision when planning the foundation's future development. The foundation has never sought short-term effects, but has already striven for long-lasting results. One could say that everything the foundation does is a "strategic investment." As long as what we are doing has meaning and value, then it is worth our full devotion and commitment.

Thank you all for everything you've done in 2013—all the donations, hard work, sweat and tears. Thank you for walking this path with us, always believing us. I look forward to continuing to build a better future for the children with you.



## The Foundation's Responsibilities and Undertakings

From "the Great Government" to "the Great Society"; from state philanthropy to private philanthropy; the direction of administrative innovation in Chinese society becomes clearer day by day.

In 2011, the Amway Charity Foundation (ACF) became the first non-public foundation with a multinational corporate background under the direct supervision of the Ministry of Civil Affairs. Industry experts once called ACF "a milestone in the development of Chinese Philanthropy." These last three years, we have seen a surge in non-public foundations, especially those established by corporations, illustrating the fact that they have become an important force for good in the realm of Chinese charity.

We believe that, in this changing environment, the Foundation must accept the missions which the current times entrust to it, maintain good relations with the government, other charities and society as a whole, in order to meet and promote the coming changes and developments in the charity industry.

### Become a Catalyst for Social Innovation

Charitable organizations' greatest advantage is their ability to understand societal issues; quickly formulate projects; orchestrate high effective experimental and research centers; and, through innovative projects and modes of operation, promptly produce effective solutions to those issues. However, initiatives require a certain amount of time to perfect. On the other hand, the needs of the disadvantaged are urgent. The quicker we act the larger window of time we receive to make a difference. The foundation should have the courage to shoulder the risks inherit in societal issues and become the vanguard leading social innovation.

### Establish an Extensive Platform for Cooperation

In the charity industry, the Foundation is in the upper-middle reaches of the industrial chain, and plays the part of consolidator of charitable resources. In the process of implementing ACF's main project, the Spring Sprout Project, we have, in two short years, covered 110 counties in 14 provinces and established 1,700 kitchens in rural schools. Most importantly, however, we have created an expansive project platform. Through this platform, we consolidate government, media, expert, volunteer, donor, and other social resources; ensure the design of the program is scientifically sound and management of the program is professional; and promote efficiency and sustainability for the project in every region.



### Openly Share Our Experience and Our Models

The business spheres of different charitable organizations may overlap at times, but this does not mean that the organizations involved are competitors. The mission of charitable organizations, unlike corporations, is not to promote their own interests but instead to promote society's interests. We not only need to do our own work well, but also summarize what we learn and share it, so as to increase the capabilities of the entire industry.

For example, during the process of implementing the Spring Sprout Project, we created a summarization of the effective model we used to call the "Spring Sprout Model" and recommended this solution to the government as well as other charitable organizations in the hope that this would enlarge the SSK project's social impact, and promote the optimization of public policy. This is our most important and valuable mission.

The current changes in charity here in China not only represent a "step back" by the government, but also the need for a "step forward" by charitable organizations. While we are taking this step, we also must endeavor to win the public's trust and continually strive to enhance the sphere available for development for both ourselves and the industry as a whole. ACF also must put its experience and management philosophies, gained from its multinational corporate background, into action in its continuous search for Chinese-style charity's path. We believe that, in the future, we will have more and more fellow travelers on this journey.



From 2011 to now

**37,000**

We've received 37,000 monetary donations from institutions and individuals

**122,730,000** Totaling RMB 122.73 million

**144,420,000**  
Spent RMB 144.42 million on charitable works

**1,705**

Established 1,705 Spring Sprout Kitchens and trained over 2,000 kitchen administrators

**88**

Set up 88 Sunshine Activity Rooms and 1,030 Sunshine Groups

**1,053**

Sponsored 1,053 Children's Charity Project nationwide

## Basic Information Regarding ACF

### Registration Information

**Name:** Amway Charity Foundation  
**Organization Code:** 71782872-9  
**Registered with:** Ministry of Civil Affairs of the People's Republic of China  
**Registered Capital:** RMB 100 million  
**Founding Date:** January 24, 2011  
**Registry Number:** Organization No. 1081  
**Taxpayer's ID Number:** 110101717828729  
**Supervising Organization:** Ministry of Civil Affairs of the People's Republic of China  
**Legal Representative:** Frances Yu  
**Business Scope:**  
 Aid vulnerable children,  
 Manage voluntary service,  
 Establish charity funds to provide special aids,  
 Carry out cooperation and exchanges.

### Organization Structure

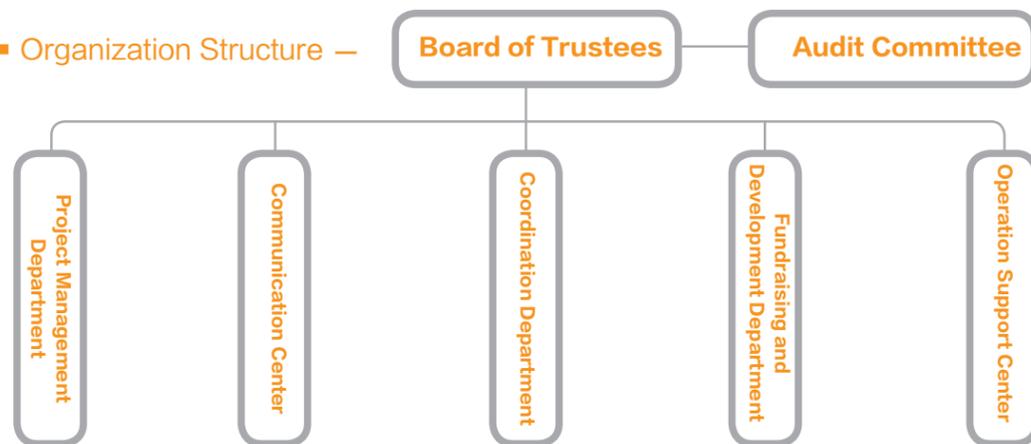
**Sponsors:** Doug DeVos Steve Van Andel  
**Honorary Chairman:** Eva Cheng  
**Board of Trustees**  
**Chairman:** Gan Chee Eng  
**Vice Chairmen:** Audie Wong, Martin Liou, Patrick Chang, Vincent Hwang, Steve Chan  
**Director-General:** Frances Yu  
**Trustees:** Gan Chee Eng, Audie Wong, Martin Liou, Patrick Chang, Vincent Hwang, Steve Chan, Liu Zhongxiang, Todd Woodward, Angela Keung, Steven Cheng, Liza Cheung, Annie Peng, Rachel Luo, Jack Kuang, Paula Peng  
**Vice Director-General:** Jack Kuang  
**Secretary-General:** Paula Peng  
**Audit Committee**  
 Patrick Hau, Scott Balfour, Peng Jianmei

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**Website:** www.amwayfoundation.org  
**Official Weibo:** @安利公益基金会 (新浪微博)

### Organization Structure



### ▶ [Mission]

Pool charitable efforts to help people; promote harmonious development of the people and of society.

### ▶ [Objective]

Promote equal opportunity for development of children in poverty-stricken areas

### ▶ [Goals]

ACF aims to pool charitable efforts to help children of migrant workers and create a better environment for them to live, learn and achieve; foster a volunteer organization with high standards and dedication; effectively promote the healthy and sustainable development of philanthropy in China through research, cooperation and exchange.

### ▶ [Fields of Focus]

Nutrition and education



# NUTRITION

26,000,000

26 million children attend school in poverty-stricken areas. Their bland, nutrient-deficient diet severely hinders their future development



70%

70% feel hungry during class. Their height and weight are two years behind that of urban children of the same age



8%

8% suffer from anemia caused by an iron deficiency

12%

12% show signs of stunted growth

30%

30% are malnourished

100,000,000

Over 100 million children will lose their chance for healthy growth and development by the year 2025. This would be an immeasurable loss for the future of not only these children and their families but also for the future development of China as a nation

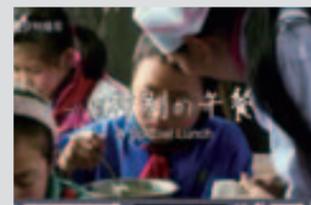
Health and nutrition are necessary for balanced development. While urban parents constantly fret over their children's nutrition, the shadows of other children hover on the edge of our vision. At lunchtime, they line up in front of old, antiquated kitchens, waiting with rumbling stomachs for the crude stoves to heat their meals. Sometimes, they have to wait for hours. There is no cafeteria, so they eat outside. There are no tables, so they sit on the ground. The meal is always the same: rice and soybeans, soybeans and rice. But these growing children devour their food ravenously; even the smallest of them cleans his plate of every morsel.

No one complains. Their older brothers and sisters suffered through their school years exactly the same way, just as their younger brothers and sisters will after them.

Of everything we saw during our research in Guangxi, this was the scene that left the strongest impression. Of the 140 million children who live in the countryside, 26 million of them live in and attend school in poverty-stricken areas, and everyday this is the reality they face. This bland, nutrient-deficient diet severely hinders their future development. 70% of these children feel hungry during class. Their height and weight are two years behind that of urban children of the same age. 8% of them suffer from anemia caused by an iron deficiency. 12% show signs of stunted growth. 30% are malnourished.



Without immediate intervention, over 100 million children will lose their chance for healthy growth and development by the year 2025. This would be an immeasurable loss for the future of not only these children and their families but also for the future development of China as a nation.



Scan the code to watch "A special lunch" video

Children's health and development is the main focus of the Spring Sprout Project's efforts. Because, when faced with the plight of these innocent children, truly "nothing is more important than a good meal."



## The Birth of a Spring Sprout Kitchen

### It All Starts with an Application Form

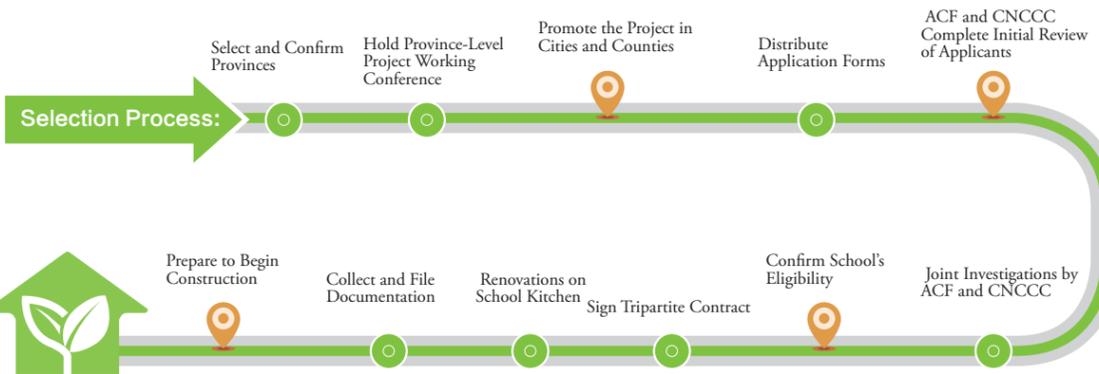
The Minzu Central School in Yanzi, Hefeng County, Hubei Province, was built 9 years ago. Recently, due to changes in the town and in the region, and to the expansions of the school's teaching staff and educational capabilities, there are currently over 900 students studying there. 400 of those students board at the school. It was manageable when there weren't as many students; the school could keep up with the demand. But now that the number has increased, it has become increasingly obvious how strained the school's resources have become. According to the headmaster, Mr. Xu, "First of all, our equipment isn't up to the task. Secondly, the labor requirements are enormous. We have 8 cooks getting up at 3 or 4 AM to start cooking." Unfortunately, most of time the meals that these cooks work so hard to prepare are cold by the time they reach the students' bowls as the school has no way to keep the food warm once it has been prepared. Cold food might be alright in the summer, but what about in winter?



This problem is a constant source of worry for Headmaster Xu. However, this year, his problems suddenly and unexpectedly were solved.

At the start of the year, the County Bureau of Education sent the school a "Spring Sprout Kitchen Application Form." As the school meets the requirements for ACF's "Spring Sprout Kitchen" Project, the county branch of CNCCC recommended the school to participate in the project. If they pass the inspection, the school can then sign a tripartite agreement with ACF and the CNCCC. Mr. Liu from the Bureau of Education told Headmaster Xu: "This means, in the near future, the school will receive professional kitchen equipment, expert training for its kitchen administration, and a new, clean kitchen."

Headmaster Xu is looking forward to that day.



## Spring Sprout Project

### Objective:

Improving the nutrition of boarding students in impoverished rural areas.

### Partner:

China National Committee for the Care of Children (CNCCC)

### Project Introduction:

The Spring Sprout Project delivers healthy meals to malnourished children in impoverished areas in Central and Western China by equipping schools there with "Spring Sprout Kitchens" and training kitchen administrators.



**Key project map**  
◆ SSK project





## With Knowledge Comes Better Meals

On August 21st, a small conference room in Zhangjiatie was packed with people. Although it was hot that day and sweat soaked the shirts of many of the people in the room, they remained absorbed in the class. This was a training session for kitchen administrators participating in the Spring Sprout Project. The 160 plus people in the conference room were kitchen administrators from 133 schools participating in the Spring Sprout Project, representing 10 districts and counties within the cities and prefectures of Shaoyang, Huaihua and Zhangjiatie.

Courses on “Nutrition”, “Kitchen Administration”, and “Proper Usage of Kitchen Equipment” were packed into the three-day session taught by well-known experts in disease prevention and control, food safety, psychology, children’s health and kitchen equipment. Teachers and administrators attended the session as “students” to learn from these experts.

“Nutrition cannot be taken for granted,” said a schoolteacher attending the training, “It is not that we did not want to cook nutritious meals. We did not understand. Books on the subject are abstract and difficult to understand. After the teachers explained it using examples, it suddenly became clear.”

He took out a notebook filled with cover-to-cover with notes, “When I get back I will teach the chefs, and have them memorize these tenets.”

After class, trainees flocked to the front, asking the instructors for suggestions and menu ideas for their school kitchens. “The headmaster said not to waste this opportunity; we have to report everything we have learned back to the school!”



87.98%

The Spring Sprout Project has enriched participating school’s management teams’ nutritional awareness and knowledge. Many of the schools have started programs to promote nutritional education. In fact, 87.98% of participating schools have arranged study of ACF’s “Habits for Good Health: Youth Nutrition and Food Safety Handbook.”

83.36%

Kitchen administrators now pay more attention to balanced nutrition. 83.36% of them have commented that, after receiving training on nutrition, they pay more attention to balanced nutrition, cleanliness, and food safety when preparing food.

92%

Students have also become more knowledgeable about nutrition. We evaluated 661 students on their understanding of nutrition with an 8 point questionnaire. Their average score was 7.4 out of 8, with an accurate response rate of 92%.

Malnutrition will impact the future potential of social and economic development. Every year, China incurs losses of \$160 million USD due to iodine deficiency as well as losses of over a billion dollars (USD) due to child growth retardation. The mortality rate among children and mothers is also rising due to malnutrition. Because of these realities, we hope to raise social awareness of malnutrition through the Spring Sprout Project’s kitchen administration training programs. The way our children live, grow and are protected is an indicator not only of the quality and level of our country’s economic development, but also of its social progress.

—Mei Jian, the Science Committee of the Chinese Psychological Society

“In the countryside, some parents sell eggs in order to buy malt milk for their children. Eggs are full of protein, but malt milk is mainly sugar and starch. This illustrates how important it is to spread accurate information about nutrition. Before they start work in Spring Sprout Kitchens, all chefs receive training on hygiene, balanced nutrition, and cooking skills. This is the first time around 90% of them have heard this information.”

—Wang Shufeng, the Deputy Director of the Child Development Center, China National Committee for the Care of Children

## Project Supervision

In May 2013, this year’s annual volunteer supervision of the Spring Sprout Project was launched. In one month, 407 volunteer supervisors visited 754 Spring Sprout Kitchens in eight provinces and autonomous regions including Ningxia, Shaanxi, Chongqing, Hubei, Henan, Hebei, Anhui and Guangxi. Supervisors evaluated kitchen equipment functionality, kitchen administration, nutritional aspects of the meals, the respective parties’ satisfaction with the kitchens, and solicited suggestions.

In addition, volunteer supervisors also addressed common questions on equipment usage, maintenance and repair. They demonstrated how to solve these practical problems so as to help staff improve their kitchen administration abilities.



### “ [Supervisors’ Notes]

From May 13th to 15th, Li Xiaoyu and I visited and supervised Spring Sprout Kitchens in four middle schools in Xiji County. After talks with the headmaster, head teachers, students and kitchen administrators, we were quite satisfied with the operation of all the kitchen equipment. There were problems with a few pieces of equipment due to unstable voltage in the region, and we recorded those problems in detail.

—Cao Hongxia, Volunteer Supervisor in Ningxia

We found that the Spring Sprout Kitchen in Pingluo Elementary School was even cleaner than last year. The leakage problem we found last year has been fixed and the kitchen’s water supply system is functioning normally now. The construction on the cafeteria is almost completely finished; it is now undergoing final renovations. They have added two new members to the kitchen staff, so the teachers don’t have to help out anymore. But the most exciting thing is that the children seem to have a very good grasp on nutrition. Head teachers told us that in the little over a year since the kitchen was established, the students’ appetites have increased and they participate more actively in class.

—Li Guijiang & Ling Fengxian, Volunteer Supervisors, Pingluo Primary School, Zuodeng Yao Ethnic Township, Tiandong County, Baise City, Guangxi Zhuang Autonomous Region

The school’s food-saving initiative “Practice Conservation, Combat Waste” has been picked up and promoted by other schools. Such exchanges between schools are very good. If volunteers could work with other departments to launch joint charitable activities, and every school could share their successful experiences administering Spring Sprout Kitchens, as well as discuss their problems, the effect would probably be even better.

—Wang Xianfang & Qi Guoming, Volunteer Supervisors, Number 3 Primary School, Shanxian County, Henan Province

[Data]

7  
7 Questionnaires

98  
98 questions



700  
All supervisors received training and passed evaluations. More than 700 questionnaires were received

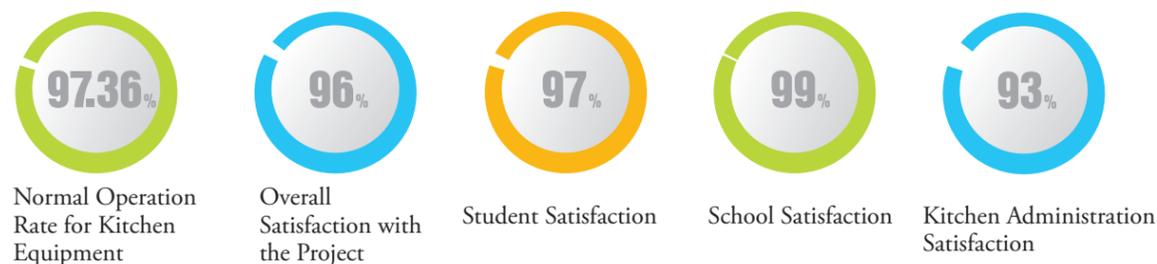


## Observable Changes

In early 2013, ACF invited experts from the National Working Committee on Children and Women under the State Council, the Chinese Nutrition Society, and the Child Development Center of the China National Committee for the Care of Children to help custom-tailor an evaluation model for the project, taking into consideration the project's direct results, changes in the impacted children's health and nutrition, and the returns from social achievements. This model would be based on the example of SROI (Social Return on Investment), the leading international evaluation model. Once this evaluation model is put into place, we will not only be able to show quantifiable project results, but also effectively balance the project's social effects.



### Results:

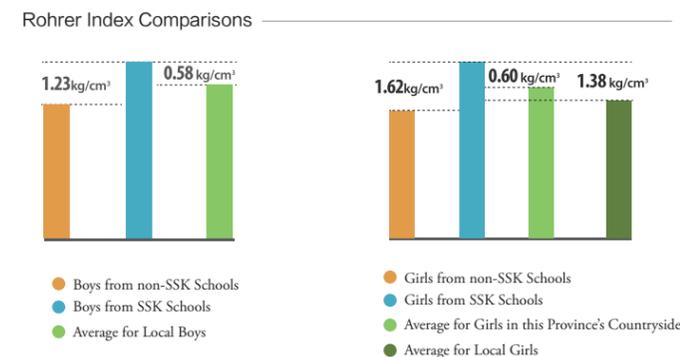


## Analysis of Improvements in Children's Nutrition

In order to ensure scientific accuracy, ACF asked Professor Ma Jun, chair of the Institute of Child and Adolescent Health of Peking University, to head the analysis. Professor Ma chose three counties from three of the provinces that Spring Sprout Kitchens were established in between 2011 and 2012. Within each of those three counties, he then chose one school with a Spring Sprout Kitchen and one school that was not

affiliated with the project. In total, a group of 3,000 students were tested. The results were gathered primarily from health checks, lab tests and questionnaires. Through comparison between the SSK school and the other nearby school, this study provides a scientific representation of the impact of the SSK students' change in nutrition.

### Improvements in Students' Growth and Development



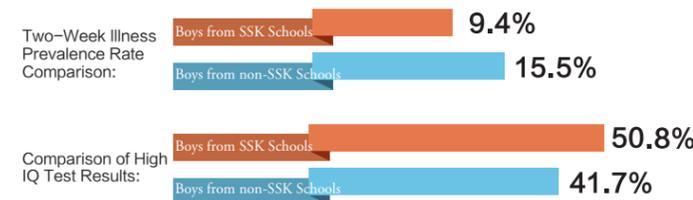
### Improvements in Student's Nutrition

9.0% of boys from SSK schools suffer from stunted growth, 0.5% less than the 9.5% in non-SSK schools. The local average rate for stunted growth is 9.0%.

### Comparison of Levels of Emaciation:

13.2% of boys from SSK schools show signs of emaciation, 3% less than the 16.2% in non-SSK schools and 2.4% less than the local average of 15.6%.

### Improvements in Student's Overall Health and IQ:



15.4% of girls from SSK schools show signs of emaciation, 2.5% less than the 17.9% in non-SSK schools and 1.8% less than the local average of 17.2%.

"The meals at SSK schools provide a variety of foods that meet nutritional dietary needs including whole grains, beans, vegetables, meat, soybeans, nuts, oils and so on. The students are able to get the nutrients they need. Their protein, iron, zinc and vitamin B1 needs are all met."

—Professor Ma Jun,  
Institute of Child and Adolescent Health of Peking University

"I am very confident of the accuracy of this analysis. Aside from the fact that the evaluation model based on SROI tenets created a method of quantifying part of the project's achievements, it also creates a set of parameters like a benefit index, development index and focus index to allow us to make determinations about project results that cannot be quantified. These indexes will help the round out the results of the evaluation and make it more scientific and reliable."

—Dr. Guo Peiyuan,  
Member of the team of experts evaluating the Spring Sprout Project



## Changes beyond the Kitchens

After three years of growth and development, a “Spring Sprout Model” centered around institutionalized management, professional operations and standardized promotion has been formulated. This model has been widely recognized and supported by regional government organizations.

In these three years, the Spring Sprout Project has leveraged local government to invest over RMB 700 million at a ratio of 1:8, which has greatly augmented the project’s social impact and enabled more impoverished children to receive timely and effective aid.

## Building Kitchens Together

“Pork Ribs and potato, eggs scrambled with cucumber, two steamed buns, and one bowl of porridge; altogether 3.8 yuan!” Fan Haopeng, a grade 7 student in the No.2 Middle School of Dongying District in Dongying City, Shandong Province, announced as he tucked into the hot meal in his school’s brand new cafeteria.

In December 2012, Dongying was designated by the China National Committee for the Care of Children as a target location for the Spring Sprout Project. The city government and municipal committee were major investors in the project. It also attracted participation and support from several other parties. By the end of 2013, the Dongying city government and ACF had jointly invested more than RMB 5 million to establish SSP kitchens in 51 surrounding rural schools, impacting 42,000 teachers and students.

By implementing the Spring Sprout Project, Dongying City brought about a “kitchen revolution” in schools in its counties and districts. Hekou District invested RMB13.59 million to completely rebuild cafeterias in seven rural schools. Lijin County called upon 117 organizations in the county to “join hands” with schools, and so far more than RMB18 million has been invested in cafeteria renovations and other educational projects. Dongying District and Guangrao County listed the Spring Sprout Project as one of their key projects to improve the people’s livelihood in 2013.

“Buildings and materials can be bought or invested in, but what the Spring Sprout Project offers is more than that. It’s a management philosophy, a system. That is what makes it so important. It cannot be bought.”

—Ren Baohui, Director of the Ningxia Department of Education

“Society must work together with the government to successfully promote nutritional improvement projects. We should take into account local resources, public transportation, as well as dietary and religious factors and use local materials to ensure nutrition in a balanced, scientific way.”

—Tian Zumeng, Deputy Director, the Finance Department of the Ministry of Education

“Government guidance, corporate support and public participation are all necessary to eliminate the problem of malnutrition among impoverished children.”

—Yang Dongping, President of the 21st Century Education Research Institute

## Millions of Spring Sprout Children

Now we return to the Minzu Central School in Yanzi.

In August, the school’s kitchen was renovated and equipped with new appliances. In September, the children began to enjoy their new, spacious 300 sq. meter kitchen. The brick flooring has been replaced with slip-resistant tiles; the black, charred walls are now white as snow. In just one month, all the problems that plagued Headmaster Xu’s thoughts were solved. ACF not only provided the school with kitchen equipment, they also provided insulated carts, rice cookers, and posted nutrition charts on the wall.

“I was very surprised by these changes. Now the children can have nutritious breakfasts and lunches with eggs, vegetables and meat, all for free. Children can’t study if they aren’t healthy!” Headmaster Xu doesn’t have to fret over the kitchen anymore. Now he spends his time planning how to make the best use of his school’s new kitchen.

“We not only actively participate in the training sessions the county organizes; we also organize training sessions within the school. Every morning we reiterate to the kitchen administration how important it is to cook balanced, nutritional meals and maintain proper hygiene. The children will never have to eat cold rice again,” said Headmaster Xu proudly.



In the past three years, the 1,705 seeds have been sown in 45 cities and 110 counties in 14 provinces across the nation. Today, they are poking up through the soil and sprouting green leaves. This is no miracle, but the results of slow, steady steps along a long road. Today, nearly 1 million children in impoverished areas can finally bid farewell to cold “soybeans and rice” and “potato and rice.” They can enjoy nutritious, hot meals.



“The success of the Spring Sprout Project stems from ACF’s care for rural children, especially left-behind children, and generous donations to help them; the combination of special attention, cooperation, support and aid provided by provincial departments of the China National Committee for the Care of Children and local government organization, especially the Ministry of Education; the meticulous implementation of the project by participating schools; and the care and support of society as a whole. A common goal brought all these aspects together to further this social project and that is an amazing thing.”

—Gu Xiulian

Director of the China National Committee for the Care of Children

“The Spring Sprout Project has a ripple effect. Our county has invested a total of RMB 70 million so far. In addition to the 42 SSK schools, we have either renovated or completely rebuilt the kitchens in every single rural elementary school in our county. However, no matter whether we were rebuilding or simply renovating, we followed the equipment standards set up in the SSK schools and used the management model of the Spring Sprout Project across the board.”

—Tao Guoming, Deputy County Magistrate of Tiandong County, Baise City, Guangxi Zhuang Autonomous Region

“There is plenty of rice. We can have as much as we want; all we have to do is ask. The entrées are delicious too. We get three for lunch and four for dinner and they are different every day of the week.”

—Liu Yao, a student in Grade 5 at Wuyang Central School, Enshi City, Hubei Province

“This is more than a charity project; it’s a matter of conscience.”

—Wang Shaobang,

Headmaster of No. 5 Elementary School in Danzhai County, Guizhou Province





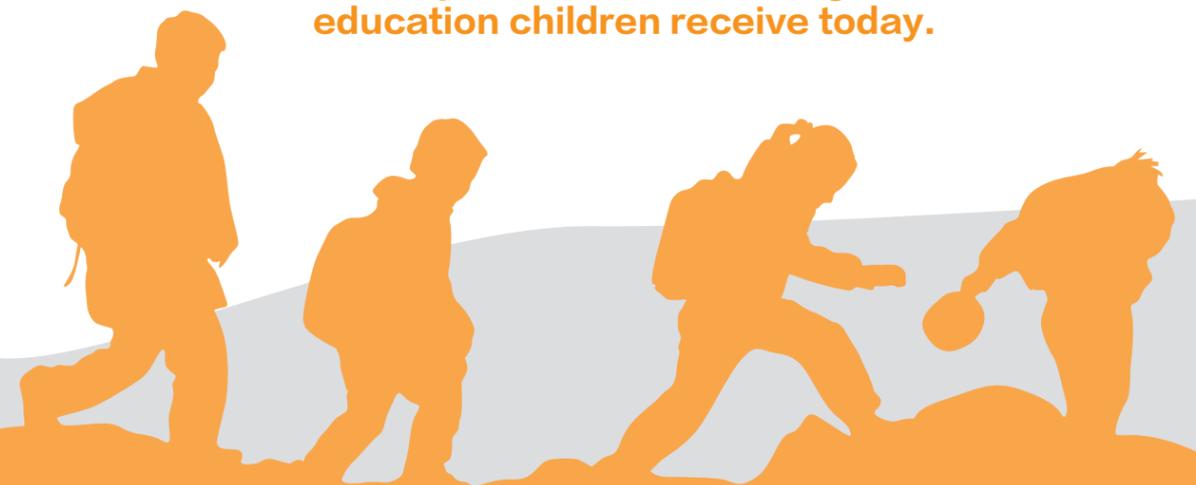
Since Confucius maintained, over 2,000 years ago, that “instruction knows no class distinction”, education has been widely held in high esteem by the Chinese people. But over time the Chinese educational system has undergone many changes.

Today, with social restructuring and urbanization underway in China, children have become the most vulnerable to the impacts of these changes. Although they are all within the age limits required to take part in the nine-years of compulsory education, differences in social status, region of origin and family economic conditions pose severe challenges to the equal distribution of educational resources among children.

Children who move to big cities with their migrant worker parents expect better educational resources and opportunities for development. However, it is hard for them to integrate into urban life. According to a survey, 72% of these migrant children feel that “they are isolated by urban residents” and 90% of them are “depressed by that fact”. In the face of the busy hustle and bustle of their new urban environment, the migrant children often experience more fear than they do joy. The latest report released by the All-China Women’s Federation shows, in metropolises like Beijing and Shanghai, migrant children account for 30%-40% of all children residing in those regions. For them, education means more than classes, textbooks and teachers; they need self-confidence and respect from those around them.

Integration is not merely a question of reducing physical distances; it is also a matter of reducing the distance between two hearts. It is just as much about establishing emotional connections as it is about promoting acceptance. By connecting schools, connecting children, we can create a bridge between them through their shared interests. They will be pleasantly surprised to discover that they are not so different. After all, we are all cut from the same cloth.

**Our hopes for the future hinge on the education children receive today.**



72%



72% of migrant children feel that they are “isolated” from urban residents

90%

90% of these children are “depressed by that fact”; In the face of the hustle and bustle of the big city, they often experience more fear than joy.

30%~40%

According to the All-China Women’s Federation, migrant children account for 30%-40% of all children residing in metropolises like Beijing and Shanghai.

# EDUCATION



7,150,000

The project expended a total of RMB 7.15 million



## Sunshine Project

### Project Introduction:

ACF has sponsored the establishment of Sunshine Activity Rooms in migrant schools, and provided child-friendly books. It also organizes experienced urban school teachers to conduct extracurricular activities and set up Sunshine Groups for students from migrant schools and urban schools. Those activities can better integrate migrant students with their urban counterparts, as well as into city life.

### Objective:

Help children of migrant workers integrate by creating a better environment for them to live, learn and achieve.

### Partner:

China Young Pioneers Working Committee

10,000

hosted 10,000 "Sunshine Group" activities



31

covered all 31 provinces



100,000

benefited 100,000 children



## 2013, A Year in the Sun

### New Friends

Li Xiaorong, a migrant girl from the countryside, has always had a natural love for singing. Every day after school, she sings for her parents. Since she started taking part in the Sunshine Project's "Hand-in-Hand" activities, she has made lots of new friends and learned about several different instruments. She wrote in her diary, "I have a dream. Someday I want to form a band and perform all over the world." Wu Lili is a 3rd year student at Hanjiadun Elementary School. Music was the bridge that formed her friendship with Xiaorong. Now, the two girls spend their time humming and singing together. Xiaorong even taught Lili how to use willow leaves as a flute.

The Spring Sprout Project brings migrant children and their urban counterparts together hand-in-hand, and creates an opportunity for them to communicate and discover their common interests. The children form "Sunshine Activity Groups" based on their interests, for example, the "Sunshine Martial Arts Team" or the "Sunshine Art Society." Through common interests, they find friendships, and through these friendships, they will create a better future.





## I am a movie-star

“Listen to me, little brother... ..” “No! I don’t want to hear it!”

Two students from Chengdu’s Honghua School were in the midst of a performance of the short film “The Bond between Brother and Sister.” They are both members of the “Sichuan Sunshine Performance Group.” The film tells the story of a brother and sister who are about to be separated because the boy’s parents are moving to the city to look for work. A misunderstanding occurs because of a parting gift and the two’s classmates must help clear everything up before the boy leaves. In the end, the two make up and their relationship remains strong. The plot for the film was written entirely by the children and reflects their life experiences. The members of the performance group are all excited and bursting with energy. The boy who plays “little brother” said, “I’ve learned how to act and made lots of new friends. I hope I get to make more movies!”

Honghua School is a school for the children of migrant workers, with 1500 students in attendance. Through activities such as making short films, the Sunshine Project has helped bring together children of different personalities and social backgrounds through their love and pursuit of the performing arts

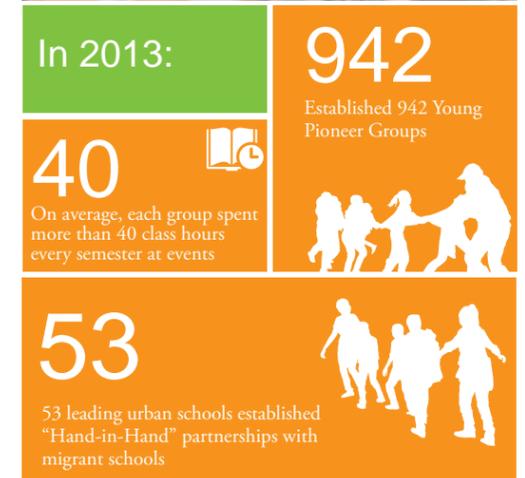
## Environmental Protection: “Energy Supermen”

Environmental protection has become one of the most important issues of our generation. It is an urgent issue that can longer be ignored. Today, the Hanjiadun Elementary School in Wuhan (an urban school), as a member of the Sunshine Project’s “Hand-in-Hand” program, is holding a parent-child event called “Mysteries of the Arctic Regions: Promoting a Spirit of Environmental Protection.” The air is filled with excitement. 300 students and parents from Wuhan’s Boke Elementary School (a school for the children of migrant workers) are at Hanjiadun Elementary today, learning and studying together.

Experts from the State Oceanic Administration’s Chinese National Arctic Research Expedition Administration Office spoke to the audience about the results of “Chinese Arctic and Antarctic Scientific Investigations.” The children were very interested in this topic of using scientific methods to protect the environment. Once the speaker finished, the children were very active in their participation in the following question and answer session.

“I want to be an energy superman too. I will use everything I learned today and Mom and Dad and I will help protect the environment,” said Xia Qi, a student from Boke Elementary. After the speech concluded, the parents and children participated in volunteer led parent-child activities on the playground. Of these, the children’s favorite was the “Energy Superman” game.

“These types of events not only give parents and children an opportunity to spend time together, they also help migrant children to integrate into city life alongside urban children through the “Hand-in-Hand” program. They learn to focus on the joys in life, care for the city’s environment, and develop in a more healthy way,” said volunteer Liu Qin.



## New Skills

### I’m not afraid of earthquakes anymore

“The buildings didn’t stand a chance against the earthquake!”

The children of the BingCheng District Elementary School are stunned as the video of the 1985 earthquake in Mexico concludes. Today, they will attend a very special safety class. After learning about basic earthquake safety, the class moves onto practical exercises. Earthquake early-warning sirens begin to wail and the students move to dive under their desks with their hands clasped firmly over their heads at the teacher’s instruction. One of the students, a slightly chubby little boy, struggles to squeeze himself under his desk, clutching his backpack desperately to his chest. Then the teacher shouts, “There are still after-shocks! Quickly, run down to the playground!” The boy struggles to extract himself from under the desk, swiftly grabs his backpack, holds it up over his head, and races out the classroom door. Once he arrives at the playground, he turns to his teacher, huffing and puffing, and says, “I’m going on a diet!”

This “Special Earthquake Safety Class for Children” was one among hundreds of earthquake safety and survival events held across the country by ACF in cooperation with the China Volunteers Association and the China Youth Development Service Center.

In 2013, ACF held safety events in schools around the country covering 5 main themes: “Traffic Safety”, “Household Appliance Safety”, “Earthquake Safety”, “Fire Safety”, and “Travel & Holiday Safety.” We invested RMB 1 million, covering 112 schools in 28 provinces. 60,000 students were directly impacted by the events, with the potential of spreading to indirectly impact over 180,000 people.



# 79,338

## CHINA VOLUNTEER FUND



China Volunteers Fund (CVF) was founded on February 27, 2012. The fund is jointly managed by the China Volunteers Association (CVA) and the Amway Charity Foundation (ACF). Its key purposes are to provide policy research on volunteering, train volunteers and support exemplary volunteer programs. Amway (China), a longtime supporter and avid organizer of volunteerism in China, contributed RMB 10 million to set up the fund. The fund is managed by a special committee—the CVF Committee. In line with its strategic plan, the fund mainly focuses on the following three tasks: research on volunteering, setting up awards to recognize volunteers and supporting exemplary volunteer programs.

Volunteering is one of Amway (China)'s unique strengths. ACF has inherited Amway (China)'s experience in volunteer management. ACF has 79,338 volunteers in 213 teams. They actively contribute their charity efforts to such areas as disaster relief, event support, community service, education assistance and program monitoring. The establishment of CVF in 2012 marks a new level for ACF in volunteer management, service, and support for charity organizations.





## 2013, My Charity Life

### Volunteers - For a Warmer Community

“School is out. The children will be here soon,” Zhao Zhengjiang, a teacher at SiDianBan School on Fengning Street in the Central HongShan Road Community of Kunming City, hardly has a chance to finish speaking before children begin running inside, backpacks swaying on their backs. Some dig out toys and start playing with their friends while other settle into desks and pull out homework.

Actually, this “school” is not actually a school in the conventional sense of the word. Because both of their parents work long hours, many elementary and middle-school students have nowhere to go after school. The SiDianBan School provides a place for parents to send their children where community service volunteers look after them and help them with their homework. In 2013, ACF donated a RMB 50,000 “Caring Community Fund” in the form of pianos, computers, psychological consulting and guidance, and other supplies. Under the supervision of 9 Amway volunteers, the children enjoy their after-school hours.

In March 2013, ACF’s “Caring Community” project was selected by the Ministry of Civil Affairs as one of their “Central Government-Supported Social Services Projects” and was granted RMB 1 million in financial support by the central government. Among the 470 selected social institutions, ACF was one of only three non-public foundations selected.

**Objective:** To support vulnerable groups such as the children of migrant workers, elderly people with no family and people with disabilities; and organize various interactive activities and parent-child events to make them feel warm and cared for.

**Date:** From March 5th, 2013 through November 2013

By November 2013:

**21**  
Amway’s “Caring Community” project has established “Caring Communities” in 21 cities

**51,916**  
directly impacting 51,916 people

**1,070**  
In the last 6 months, 78 volunteer events were organized and 1,070 people attended

**5,548**  
Volunteers donated 5,548 hours of their time

**88.6%**  
According to a public survey of the beneficiaries of the project, 88.6% of the respondents indicated that they were “very satisfied.”

“Today I read to the children. They love it when I read to them. In the future, my partners and I will come here often and read to them, as well as to the elderly. As a volunteer, I feel proud that I am doing my best to help the residents of this community.”

—Wang Yumei, a volunteer from Hefei, Anhui

“The launch of the “Senior Paradise Garden” by the Caring Community in Dongyuan is another achievement of the platform for the care of the elderly in Weidong District. It represents an enhancement in the local elderly’s sense of happiness and helps to provide support, medical care and joy for the elderly.”

—Editorial in the Pingdingshan Evening Post

“With the continuous industrial, informational, and urban developments going on today, communities have become the center of all sorts of relationships and connections; the focus point of all kinds of conflicts; and the origin of social development. Community public welfare programs are also increasing, however, government resources are hard-pressed to meet every need. Thus the corporations seeking ways to create charitable organizations help pick up the slack, providing community residents with charitable services. ACF’s “Caring Community” program is a great example of this. If it could be expanded to cover more communities, it would have an even greater effect.”

—Dr. Chen Shuqiang,  
China Youth University of Political Studies, the  
School of Social Work

### Here I am, at the National Games of the PRC

ACF sponsored the volunteers at the 2013 “12th National Games of the People’s Republic of China” held in Shenyang, providing training and support for volunteers at the Games. This year, a total of 11,668 volunteers were recruited and organized into 15 categories and 47 types, serving in various venues and locations during the 12th National Games. Through initial research and information collection, ACF designed 9 courses such as Volunteer Culture and Real-time Motivation, Communication and Etiquette and First-aid Knowledge and Emergency Response to help volunteers better understand their volunteer work at the National Games and acquire the knowledge and skills required for volunteer service. At the same time, ACF adopted brand new patterns of “key member training” and “job training” and implemented integrated, grid-like methods to enhance volunteers’ core practical skills and service levels. ACF also assisted the volunteers in managing competition areas, and coordinating over 100 professional, venue and job training sessions for relevant departments.



ACF provided professional volunteers once again at the 3rd Beijing International Film Festival, receiving the Festival committee’s praise and recognition as well as a honorary certificate naming it as a “Professional Volunteer Support Institution.” This illustrates the growth in ACF’s methods of volunteer management.

ACF participated in the 9th China (Beijing) International Garden Expo this year. Our team was the only corporate-sponsored volunteer team and the only team to provide support for the disabled during the event.

ACF was named the “Institution for the professional training and support of volunteers” for the 12th National Games of the People’s Republic of China. We provided volunteer training and management as well as intellectual support.





# PROMOTE THE DEVELOPMENT OF PHILANTHROPY

Charity in China, rooted in traditional culture, was given a chance to mature after the Reform and Opening-up policies. Drawing on over a hundred years of experience from western countries, it combines both Chinese and international characteristics. Its growth has involved three stages: conceptual development, exploration through concrete actions and the promotion of a common social understanding of charity.

In 2004, China put into place the Regulations on Foundation Administration, which allows enterprises or individuals to set up foundations. This marked a turning point in the development of charity in China. From that point on, non-public foundations emerged in large numbers, driving the development of the sector with professional management and innovative programs. As of today, there are over 1,700 non-public foundations in China, exceeding the number of public ones.

As the first non-public foundation with multinational corporate background that is under the direct supervision of the Ministry of Civil Affairs, ACF is firmly convinced that the growth of every charitable organization hinges on the development of charity as a whole. Promoting the development of philanthropy in China is responsibility that the foundation must shoulder. In 2013, the China Philanthropy Talents Development Program took off with the hopes and support of people throughout the charity sector. The program has seen enthusiastic, mass signups; expert instructors; sound instruction; and excellent funding. It has been called the role model of all training programs, the Huangpu Military Academy of the charity sector (Huangpu Military Academy is the Chinese equivalent of Westpoint).



## China Philanthropy Talents Development Program

### Program Introduction:

The China Philanthropy Talents Development Program is the first grassroots charity professionals training program under the leadership of the government. It is guided by the Ministry of Civil Affairs and co-sponsored by CCDIC and ACF. Multiple charity organizations participate in this bid to address the lack of charity professionals in the sector. ACF will invest RMB 10 million within the next three years in order to establish a Huangpu Military Academy for the charity sector, in order to provide it with a continuous supply of well-trained professionals.

### Objective:

To seek out and train leaders in the charity sector, fund individual and institutional development, and establish a qualification system for charity professionals.

### Partner:

China Charity & Donation Information Center (CCDIC)

952



In 2013, the first session of the program received 952 applications from 31 provinces, municipalities and autonomous regions

50



Every year the program trains 50 charity professionals

100,000



Every year 10 charity leaders with the most potential are chosen. They are given RMB 100,000 to help fund their institutions

10



In 2015, the 10 trainees with the greatest potential will be chosen from the program and sent abroad to learn and communicate with experts abroad





## 2013 – The Year Our Dreams Came True

If using technology to help the blind can be considered to be a project that falls “in the crossroads between the pursuit of humanity and technology”, then Ji Dong, one of the top 10 trainees of the “China Philanthropy Talents Development Program,” is no doubt standing in that crossroad. He hopes to allow the blind to share in the benefits of digitalization. He plans to start by developing cell phones and software that provide voice-controlled, audio-based service.

Ji Dong, a technician by trade, once regarded registering a business as simply opening your doors for business. “What struck me the most about this training session was the lecture on funding by Professor Fu Lin. Now I understand that charity is not something that you strike out on your own to accomplish. You have to use a variety of systematic approaches and work with a large variety of people and industries to obtain funding.” The blind are a very unique target audience. Conventional methods of marketing and advertising are next to useless when aimed at this group. So how do you advertise a product? Ji Dong has come up with an idea:

promote open online user training and software use classes for products that the blind are able to use. Upon finishing the practical application portion of the “China Philanthropy Talents Development Program” in 2013, Ji Dong immediately put what he learned into practice. His foresight and special designs won him the support of the Baidu Foundation, along with a RMB 20,000 grant for product promotions.

Today, Ji Dong’s team has already developed a series of software designed for the blind, including a version of WeChat, GPS, and an application that helps track bus stations. In 2013, with the support of the Disabled Persons Federation of Chaoyang District, Ji Dong was awarded a 200m2 office building in the Disabled Rehabilitation Center of Chaoyang District and began to take on some responsibility for the Center’s call center. “This way, I can create employment opportunities for some disabled people as well.” In addition to creating a platform to share new technologies, Ji Dong wants to do as much charitable work as he can.

## Courses

Resource Development
Working with the Government
Fundraising Targeted at Corporations
Fundraising Targeted at Foundations
Developing Cooperation with Media Resources
Mobilizing Volunteers
Imitation Fundraising
Mission and Strategy Analysis
Group Administration
Project and Financial Management
Social Innovation and Social Enterprise
Tencent Online Fundraising Platform: Operating Tricks and Effective Communication
Leadership
Sina Weibo Online Fundraising

## Lecturers

<b>Zhao Hua:</b> President and Secretary-General of the Peter F. Drucker NPO Learning Center
<b>Yu Meng:</b> Deputy Director of the General Office of the Management of Nongovernmental Organizations of the Ministry of Civil Affairs
<b>Jia Ying:</b> General Manager of Save the Children (Shanghai Branch)
<b>Liu Zhouhong:</b> Secretary-General of the Narada Foundation
<b>Dou Ruigang:</b> Executive Secretary-General of the Tencent Foundation
<b>Zhai Yan:</b> Director of the Beijing Huizeren Volunteering Development Center
<b>Chen Jianhong:</b> CEO of the Institute for Leadership Excellence
<b>Bei Xiaochao:</b> Director of Social Responsibility at Sina Weibo

## Top 10 Trainees at the First Session

<b>Cui Weixiong:</b> Chairman and Creator of the Guangzhou Gold-Ribbon Special Children Parents Center
<b>Cui Xiaoguang:</b> Secretary-General of the Beijing Chunmiao Children’s Aid Foundation
<b>Ding Changling:</b> Director-General of the Thousands of Love with Special Education Training Center in Lianhu District, Xi’an City
<b>Ji Dong:</b> CEO of Beijing Baoyi Interactive Technology & Development Limited
<b>Lian Xiaonv:</b> Deputy Director of the Zhuoyue District Development Service Center in Zhuhai City
<b>Liu Mu:</b> Secretary-General of the Loudi City Charitable Volunteers Association
<b>Ma Jianian:</b> Secretary-General of the Home for Premature Babies
<b>Wan Xiaobai:</b> Secretary-General of the Environmental Volunteers Association of Tongyu County
<b>King Fu:</b> Director of the HongShan Service Center for the Disabled
<b>Zhou Zhengshun:</b> Consultant for the Beijing Shifangyuan Center for the Care of the Elderly



“The China Philanthropy Talents Development Program has provided a platform for Chinese charity professionals to acquire professional knowledge, exchange work experiences and improve practical skills. It is worth promoting on a large scale.”

—**Xu Jianzhong, Deputy Director of the Department of Social Welfare and Charity Promotion of the Ministry of Civil Affairs**

“When I was still in college, I helped my father establish an NGO. After 10 years of working for ecological restoration in sandy areas, I have a wealth of experience in this regard. But now I need to lead teams and cultivate new talents. I have to go from working for the fire service to being a “pioneer.” The China Philanthropy Talents Development Program helped me gain the abilities I need to lead and organize my team professionally.”

—**Wan Xiaobai, Secretary-General of the Environmental Volunteers Association of Tongyu County (the Horqin Sandy Land Ecological Demonstration Zone)**

“The China Philanthropy Talents Development Program provides two kinds of support. First, meeting with so many like-minded peers, I could feel their courage in fighting for their ideals. This provides enormous mental and spiritual support. Second, this kind of multi-element, boundary-crossing cooperation, especially with the classes taught by so many lecturers from the tops of their fields, represents a complete rebirth of the way social resources are handled by charities.”

—**Ma Jianian, Secretary-General of the Home for Premature Babies**





# FINANCIAL SUMMARY 2013

2011

2012

2013

2014

## Audit Report

BEIJING TIAN ZHENG HUA CERTIFIED PUBLIC ACCOUNTANTS

Beijing Tian Zheng Hua Certified Public Accountants  
Suite 909, 9th Floor, Shangdu International Center No.8  
Dongda Qiao Road Chaoyang District Beijing CHINA  
Tel: (086-010)58700585  
Fax: (086-010)58700738  
Post: 100020

### Audit Report

(2013) ZHENGHUA HUIZI  
No. 50

To the Amway Charity Foundation,



#### 1. Management's Responsibility for These Financial Statements

It is ACF management's responsibility to prepare financial statements in accordance with the Regulation on Foundation Administration and the Accounting System for Non-governmental Non-profit Organizations. This responsibility includes: (1) The design, implementation and maintenance of internal controls relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error; (2) The adoption and application of the appropriate accounting policies.

#### 2. Certified Accountant's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Auditing Standards for the Chinese Certified Public Accountants. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the ACF's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. However, the purpose is not for giving opinion about the effectiveness of



BEIJING TIAN ZHENG HUA CERTIFIED PUBLIC ACCOUNTANTS

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the internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### 3. Audit Opinion

In our opinion, the financial statements provide the information required by the Regulation on Foundation Administration and the Accounting System for Non-governmental Non-profit Organizations in the manner so required and provides a true and fair view of the financial status of ACF as of December 31st 2013, the results of business activities and cash flow in 2013.

BEIJING TIAN ZHENG HUA CERTIFIED PUBLIC ACCOUNTANTS

Chinese Certified Public Accountant



Chinese Certified Public Accountant



January 16, 2014

## Financial Information

### Balance Sheet

Preparation unit: Amway Charity Foundation

December 31, 2013

Monetary unit: RMB yuan

Assets	Line No.	Balance at beginning of the year	Balance at end of the year	Liabilities and net assets	Line No.	Balance at beginning of the year	Balance at end of the year
Current assets:				Current liabilities:			
Monetary assets:	1	109,715,114.55	83,642,149.99	Short-term loans	23		
Short-term investment	2	-	-	Accounts payable	24	2,374,634.24	671,536.26
Accounts Receivable	3	2,305,349.90	1,203,564.19	Wages payable	25		-
Prepayment	4			Taxes payable	26	5,274.76	9,967.33
Inventory	5			Deposit received	27		
Deferred expenses	6			Accrued expenses	28	174,490.00	22,750.00
Long-term debt investment due within one year	7			Anticipated liabilities	29		-
Other current assets	8			Long-term liabilities due within one year	30		
Total current assets	9	112,020,494.45	84,845,714.18	Other current liabilities	31		
				Total current liabilities	32	2,554,399.00	704,253.59
Long-term investments							
Long-term equity investment	10			Long-term liabilities:			
Long-term debt investment	11			Long-term loans	33		
Total long-term investment	12	-	-	Long-term payables	34		
Fixed assets:				Other long-term liabilities	35		
Original value of fixed assets	13			Total long-term liabilities	36	-	-
Minus: Accumulated depreciation	14						
Net value of fixed assets	15	-	-	Investment liabilities			
Construction in progress	16			Investment liabilities	37		
Heritage and Cultural Assets	17			Total liabilities	38	2,554,399.00	704,253.59
Liquidation on fixed assets	18						
Total fixed assets	19	-	-	Net assets:			
Intangible assets:				Unrestricted net assets	39	109,466,095.45	83,602,029.70
Intangible assets	20			Restricted net assets	40	-	539,430.89
Assets from investments				Total net assets	41	109,466,095.45	84,141,460.59
Assets from investments	21						
Total net assets	22	112,020,494.45	84,845,714.18	Total liabilities and net assets	42	112,020,494.45	84,845,714.18



### Statement of Financial Activities

2013

Preparation unit: Amway Charity Foundation Monetary unit: RMB yuan

Project	Line No.	Balance for the Previous Year			Balance for the Current Year		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
1. Income Including:							
Donations	1	38,194,097.90	17,002,540.11	55,196,638.01	14,333,030.57	31,426,524.60	45,759,555.17
Membership Fees	2	0.00	0.00	0.00	0.00	0.00	0.00
Services Provided	3	485,294.00	0.00	485,294.00	0.00	0.00	0.00
Commodity Sales	4			0.00	0.00	0.00	0.00
Government Subsidies	5			0.00	0.00	950,000.00	950,000.00
Investment	6			0.00	0.00	0.00	0.00
Other income	7	3,544,565.53	0.00	3,544,565.53	2,600,659.91	0.00	2,600,659.91
Total income	8	42,223,957.43	17,002,540.11	59,226,497.54	16,933,690.48	32,376,524.60	49,310,215.08
2. Expenses							
(1)Event/Project Expenses	9	46,369,714.10		46,369,714.10	73,210,587.57		73,210,587.57
(2) Administrative Expenses Including:	16	1,107,316.69	0.00	1,107,316.69	755,097.95	0.00	755,097.95
Employee salaries and benefits		298,107.83		298,107.83	115,212.95		115,212.95
Operational expenses		809,208.86		809,208.86	639,885.00		639,885.00
Deprecation of Fixed Assets				0.00			0.00
Taxes				0.00			0.00
(3) Fundraising Expenses	17	1,499,024.58		1,499,024.58	669,164.42		669,164.42
(4) Other expenses	18			0.00			0.00
Total expenses	19	48,976,055.37	0.00	48,976,055.37	74,634,849.94	0.00	74,634,849.94
3. Conversion of restricted net assets to unrestricted net assets	20	19,482,540.11	-19,482,540.11	0.00	31,837,093.71	-31,837,093.71	0.00
4. Fluctuation of Net assets (if net assets were reduced, we denote it with "-")	21	12,730,442.17	-2,480,000.00	10,250,442.17	-25,864,065.75	539,430.89	-25,324,634.86

### Cost of Business Activities

### Cash Flow Statement

2013

Preparation unit: Amway Charity Foundation

Monetary unit: RMB yuan

Project	Line No.	Amount
1. Cash flow from business activities		
Cash received from donations	1	45,759,555.17
Cash received from membership fees	2	
Cash received from services provided	3	
Cash received from commodity sales	4	
Cash received from government subsidies	5	950,000.00
Cash received from other business activities	6	3,734,488.32
Sub-total of cash inflow from business activities	7	50,444,043.49
Amount put toward donations or financial support	8	74,136,716.48
Amount paid to employees or for employees	9	1,349,752.43
Amount paid for goods and services	10	
Amount spent on other business activities	11	1,030,569.14
Sub-total of cash outflow for business activities	12	76,517,038.05
Net cash flow from business activities	13	-26,072,994.56
2. Cash flow from investment activities:		
Inflow from recouping on investments	14	
Inflow from investment returns	15	
Inflow from disposal of fixed assets and intangible assets	16	
Inflow from other investment activities	17	
Sub-total of cash inflow from investment activities	18	0.00
Outflow to acquire fixed assets and other long-term capital	19	
Outflow for foreign investment	20	
Outflow for other investment activities	21	
Sub-total of cash outflow for investment activities	22	0.00
Net cash inflow from investment activities	23	0.00
3. Cash flow from fundraising activities:		
Inflow from loans	24	
Inflow from other fundraising activities	25	
Sub-total of cash inflow from fundraising activities	26	0.00
Outflow for debt repayment	27	
Outflow for debt interests	28	
Outflow for other fundraising activities	29	
Sub-total of cash outflow for fundraising activities	30	0.00
Net cash inflow from fundraising activities	31	0.00
4. Impact on cash and cash equivalents from floating exchange rate		
	32	
5. Net increase of cash and cash equivalents	33	-26,072,994.56



### Monetary Capital

Type	Currency	Balance for the Previous Year	Balance for the Current Year
Cash	RMB		
Bank Deposits	RMB	109,715,144.55	83,642,149.99
Total		109,715,144.55	83,642,149.99

Note: Bank Deposits include a fixed deposit of 72,000,000

### Cost of Business Activities

Project	Amount Incurred in the Current Year	Amount Incurred Last Year
1. Project Donations		
Spring Sprout Project	48,939,357.78	23,016,477.90
Ya' an Earthquake Donations	6,500,000.00	
Sunshine Project	3,231,815.45	3,190,275.76
Volunteer service projects	4,763,356.80	3,091,790.16
Projects with China Development Research Foundation	2,917,500.00	1,417,500.00
Caring Community	2,067,453.81	
Friendly Community Project for Rural Children	400,000.00	1,600,000.00
Youth Community Work Points	394,883.93	
Rainbow Project		4,954,822.64
Rainbow Dream Centers		1,611,667.44
China Philanthropy Talents Development Program (Ministry of Civil Affairs)		2,900,000.00
Other Projects for Children	3,996,219.80	3,880,180.20
Other Research Programs		707,000.00
.....		
2. Cost of providing services		
.....		
3.		
.....		
* Taxes and additional costs from business activities		
Including: Business Tax		
Value-added Tax		
City Construction Tax		
Additional Educational Expenses		
.....		

### Large-sum donation Income

This list shows individuals and groups who accounted for more than 5% of the Foundation's total revenue in terms of donations for the entire year

Donors	The Current Year			Last Year		
	Restricted	Unrestricted	Subtotal	Restricted	Unrestricted	Subtotal
1. Amway (China) Co., Ltd	18,782,164.01	14,217,835.99	33,000,000.00	10,386,593.93	3,879,200.00	14,265,793.93
Including: Monetary Donations	18,782,164.01	14,217,835.99	33,000,000.00	10,386,593.93	3,879,200.00	14,265,793.93
Material Donations						
2. Founders Council Members of Amway (China) Co., Ltd.	3,605,100.00		3,605,100.00	3,010,000.00		3,010,000.00
Including: Monetary Donations	3,605,100.00		3,605,100.00	3,010,000.00		3,010,000.00
Material Donations						
3. Amway Business Owners (ABOs)	6,266,976.99	91,779.58	6,358,756.57	3,255,390.01	543,112.06	3,798,502.07
Including: Monetary Donations	6,266,976.99	91,779.58	6,358,756.57	3,255,390.01	543,112.06	3,798,502.07
Material Donations						
4. Public Donations	945,686.90	21,075.00	966,761.90		33,742,510.84	33,742,510.84
Including: Monetary Donations	945,686.90	21,075.00	966,761.90		33,742,510.84	33,742,510.84
Material Donations						
.....						
Total	29,599,927.90	14,330,690.57	43,930,618.47	16,651,983.94	38,164,822.90	54,816,806.84



## Fundraising Summary

As a non-public-funded foundation, ACF follows the provisions set forth in the Foundation Management Regulations, and raises funds from specified groups of people including Amway (China)'s ABOs, employees and preferred customers, providing monetary safeguards for the long-term development of the fund and effective implementation of charity programs.

In 2013, ACF raised RMB 45.76 million in donations.

### Internal Fundraising



2,920,000

In 2013, donations towards this program reached RMB 2.92 million.

#### Matching Donation Program

ACF, in cooperation with Amway (China), provides a Matching Donation Program aimed at the company's ABOs. To encourage them to become more involved, Amway has adopted an equivalent matching donation program, in which, for every donation from an eligible ABO, the company will donate the same amount to the same charity project as that of the ABO's donation.

2,870,000

In 2013, ABOs donated RMB 2.87 million.

#### Spring Sprout 100 Hearts Monthly Donation Program

ACF and Amway China join hands in the "Spring Sprout 100 Hearts" monthly donation program. It encourages Amway Business Owners and privileged customers to donate RMB 100 every month to support the "Spring Sprout Project", a key charity project of the Foundation.

3,780,000

In 2013, donations towards this program reached RMB 3.78 million.

#### Charity Soap Sales

ACF and Amway China jointly developed the charity soap sales promotion among ABOs during Amway China's overseas seminars. The sales revenues (after manufacturing costs) are all donated to ACF to be put towards the Spring Sprout Project.



6,280,000

In 2013, this program contributed RMB 6.28 million.

#### Donations from Marketing Events

Joining forces with Amway (China), ACF raised funds by leveraging Amway (China)'s marketing promotion, "Product Gift Boxes." For every gift box sold, Amway (China) donated RMB 5 to ACF.



1,830,000

In 2013, Amway employees donated RMB 1.83 million.

#### Employee Donations

Organized and mobilized by Amway (China), Amway employees actively made donations to ACF's charity programs.

### External Fundraising

14,170,000

In 2013, donations towards this program reached RMB 14.17 million.

#### Spring Sprout Special Fund

ACF opened a "Spring Sprout Special Fund" with the China Next Generation Education Fund in order to further leverage public resources to help rural children in poverty-stricken areas.



970,000

In 2013, caring members of the community donated RMB 970,000.

#### Other

ACF also received extensive support from the general public.



## Specialized Funds

### Barry Chi/Holly Chen Special Fund

#### Founding

In December 2011, Barry Chi and Holly Chen, a couple from Taiwan, donated RMB 600,000 to create the Barry Chi/Holly Chen Special Fund under ACF. With matching donations from Amway and continued donations from the couple, this fund has now reached RMB 1.52 million.

#### Usage:

31,000

This fund has sponsored the building of 25 Spring Sprout Kitchens, benefiting over 31,000 students in impoverished areas.

#### Management Committee:

Director: Audie Wong  
Deputy Directors: Holly Chen, Frances Yu  
Secretary-General: Jack Kuang  
Committee Member: Barry Chi



Miaodian Boarding School in Sheqi County, Nanyang, Henan province

### Foo Howe Kean Special Fund

#### Founding

In December 2011, Foo Howe Kean from Taiwan donated RMB 340,000 to create the Foo Howe Kean Special Fund. In 2013, Mr. Foo donated another RMB 340,000. With matching donations from Amway and other contributions from Mr. Foo, the fund has now reached RMB 1.5 million.

#### Usage:

22,500

The Fund has sponsored the building of 25 Spring Sprout Kitchens, benefiting over 22,500 students in impoverished areas.

#### Management Committee:

Director: Audie Wong  
Deputy Director: Foo Howe Kean, Frances Yu  
Secretary-General: Jack Kuang  
Committee Member: Ke Shu Zhen



Guanpo No. 1 Middle School in Lushi county, Sanmenxia, Henan province

Tongwanzhen Middle School, Wuxuan county, Laibin, Guangxi province



## Han Shi Rong Special Fund

### Founding

In February 2013, Ms. Han Shi Rong donated RMB 340,000 to create the Han Shi Rong Special Fund. With matching donations from Amway, the fund has now reached RMB 500,000.

### Usage:

The Fund has sponsored the building of 8 Spring Sprout Kitchens, benefiting over 4,000 students in impoverished areas.



## Kang Jun Special Fund

### Founding

In November 2013, Mr. Kang Jun donated RMB 340,000 to create the Kang Jun Special Fund. With matching donations from Amway, the fund has now reached RMB 500,000.

### Usage:

The Fund has sponsored the building of 8 Spring Sprout Kitchens, benefiting over 4,000 students in impoverished areas.



## Zheng Xin Qing/ Zhou Fan Yang Special Fund

### Founding

In February 2013, Zheng Xin Qing and Zhou Fan Yang donated RMB 340,000 to create the Zheng Xin Qing / Zhou Fan Yang Special Fund. With matching donations from Amway, the fund has now reached RMB 500,000.

### Usage:

The Fund has sponsored the building of 8 Spring Sprout Kitchens, benefiting over 4,000 students in impoverished areas.



## Xiong Shi Xiang/ Wu Yi Special Fund

### Founding

In February 2013, husband and wife Xiong Shi Xiang and Wu Yi donated RMB 340,000 to create the Xiong Shi Xiang / Wu Yi Special Fund. With matching donations from Amway, the fund has now reached RMB 500,000.

### Usage:

The Fund has sponsored the building of 8 Spring Sprout Kitchens, benefiting over 4,000 students in impoverished areas.





## Governance

### (1) The Board of Trustees and the Audit Committee Meeting Minutes and Resolutions

<b>Date</b>	January 6, 2013
<b>Name of Meeting</b>	The 4th Session of the First ACF Board of Trustees
<b>Attendees</b>	Eva Cheng, Gan Chee Eng, Audie Wong, Martin Liou, Patrick Chang, Vincent Hwang, Steve Chan, Francis Yu, Angela Keung, Steven Cheng, Liza Cheung, Annie Peng, Rachel Luo, Jack Kuang
<b>Guests (non-voting delegates)</b>	Patrick Hau, Scott Balfour, Peng Jianmei
<b>Meeting Agenda</b>	<ul style="list-style-type: none"> <li>▪ Announce that Doug DeVos and Steve Van Andel have been invited to become patron of the Foundation</li> <li>▪ Deliberate on the Board's Resolution Concerning adjustments to HR</li> <li>▪ Listen to the Working Report for 2012 and Working Plan for 2013</li> <li>▪ Review the Spring Sprout Project Volunteer Supervisors' Work Report for 2012</li> <li>▪ Review the updates on and plans for fundraising activities</li> <li>▪ Review and Confirm the Foundation's Financial Report for 2012</li> </ul>
<b>Vote Totals (Votes for Approval/Attendees)</b>	14/14

<b>Date</b>	December 16, 2013
<b>Name of Meeting</b>	The 5th Session of the First ACF Board of Trustees
<b>Attendees</b>	Gan Chee Eng, Audie Wong, Martin Liou, Patrick Chang, Vincent Hwang, Todd Woodward, Angela Keung, Steven Cheng, Liza Cheung, Annie Peng, Frances Yu, Jack Kuang, Paula Peng
<b>Guests (non-voting delegates)</b>	Patrick Hau, Scott Balfour, Peng Jianmei
<b>Meeting Agenda</b>	<ul style="list-style-type: none"> <li>▪ Review the Foundation's 2013 Work Report and plans for the next 3 years</li> <li>▪ Review the 2013 Report on updates on and plans for fundraising activities</li> <li>▪ Review the 2013 Financial Report</li> </ul>
<b>Vote Totals (Votes for Approval/Attendees)</b>	13/13

The meeting conforms to the legal requirements for attendance, to relevant government regulations and the organization's articles of association for meeting procedures. The documents provided are complete. The discussion about the proposals is provided in full. The minutes, the voting process and the signing procedure of the meeting are transparent and compliant to applicable regulations.

### (2) Audit Committee Report

The Audit Committee attended all the Meetings of the Board of Trustees in the year 2013 as nonvoting delegates. According to Foundation Management Regulations, the Audit Committee oversaw the compliance of ACF's operation in the past year and made the following report:

#### Supervision of the management parties, documentation and information disclosure

\*In March 2013, ACF submitted the Audit Report 2012, Budget Report 2012 and Work Report 2012 to Bureau of Administration of NGOs, Ministry of Civil Affairs. ACF passed the annual inspection and published the core content of the working reports on the Philanthropy Times for public notification; the report will also be published on ACF's website shortly.

\*delivered communication materials including Project Progress Reports to key donors;

\*released the annual report, donation information, and an archive on the Spring Sprout Project on the ACF website.

#### Recipients of Large Sum Donations to Charitable Projects

To the knowledge of the Audit Committee, the following organizations have no ties with the management or administration staff of Amway (China) or the Amway Charity Foundation.

Project Name	Recipient	Amount	Percent of Total Annual Expenses	Usage/Purpose
1. The Spring Sprout Project	Shandong Kingbetter Commercial Kitchenware Co., Ltd	38,370,115.00	52.41%	Procurement of Kitchen Equipment
	Child Development Center of China National Committee on Care for Children (CDC-CNCCC)	4,300,000.00	5.87%	Training for Kitchen Administrators
2. Ya'an Earthquake Disaster Relief Fund	China Foundation for Poverty Alleviation	6,500,000.00	8.88%	Ya'an Earthquake Disaster Relief
.....				
Total		49,170,115.00	67.16%	

#### Related Transactions

**Major lawsuits:** None

**Major purchase or sales of assets:** None

**Hiring or firing of professional agencies:**

The auditor for ACF in 2012 was changed to ZHONGLEI CERTIFIED PUBLIC ACCOUNTANTS CO., LTD

**Punitive incidences against board or administrative personnel:** None

**Crisis management/ Media Responses:** None



### (3) Internal Management System

In 2011, applying the management experience of its founder, Amway (China), a company with a multinational background, ACF established the ACF Financial Management Guidelines, ACF Project Management Guidelines and ACF Fund-raising Management and Approval Guidelines in 2011. In 2012, in compliance with the supervisory authorities and the public's requirements on information disclosure, the foundation released the ACF Information Disclosure Management Guidelines, completing ACF's information disclosure system.



ACF's main channels for to information disclosure include:

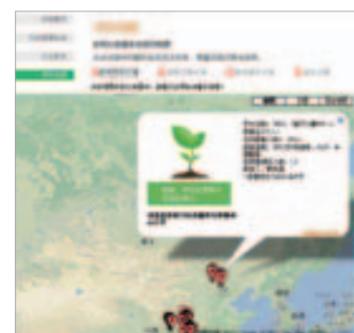
- The ACF Official Website:** information about donations, Spring Sprout Project archives, project maps and other information about ACF
- The ACF Annual Report:** Annual governance, business activities, financial status, audit results, etc.
- The ACF Newsletter:** Periodically discloses the progress of key issues and programs of ACF
- The ACF Official Weibo Account:** Discloses the progress of ACF programs and the donations to ACF, and answers netizens' questions



Annual Report



Donation Records



Project Map

### 2013 Charity Map

- December 16, 2013**

The Spring Sprout Project won the Annual Model CSR Project
- October 31, 2013**

ACF is listed for the first time on Forbes' "Best China Charities List"
- September 24, 2013**

The Spring Sprout Project is the only charitable project from Mainland China to participate in the Clinton Global Initiative
- September 22, 2013**

ACF was placed 4th in China Charity Organization Transparency List released by China Charity and Donation Information Center under the Ministry of Civil Affairs
- September 21, 2013**

The China Philanthropy Talents Development Program is announced at the Shenzhen Charity Federation
- September 12, 2013**

ACF releases results for the first stages of the Spring Sprout Project
- March 2013**

ACF's "Caring Community" Project was chosen as one of the "Central Government-Supported Social Services Projects"



# LOOKING TO THE FUTURE

Looking back over the last three years, children's smiling faces are the best reward for the work we have done as well as a heavy responsibility laid upon our shoulders. In three years, we've gone from taking our first steps to emerging as a mature organization. In the coming three years, we will embark on a new journey. Because we have seen the changes, the challenges, and the new opportunities waiting for us.

As we reflected on these last years, we asked ourselves three questions:

What are ACF's core virtues? How can we shape our distinctive characteristics?

Each charity project has its own life cycle. How should we extend the brand value of the existing projects?

As we now live in a high-speed, information age and technologies are connecting the world and bringing us all closer together, how will ACF adapt and change with the times?

We have some answers, and those answers will help lead us on the road ahead. That road stretches out long before us and we will continue upon it, searching and exploring.

In the three years to come, ACF hopes to become a leader in the Chinese non-public foundation sector.

We believe that becoming a leader does not mean being better than everyone else, but constantly surpassing ourselves. To this end, we have put forward three strategies.



## Dedication |

The Foundation has limited resources. But it is better to be small and dedicated than big, all-inclusive and ineffective. Only by concentrating our resources and developing the core strengths of the foundation will we be able to stand out from the crowd and contribute new experiences and wisdom to the charity sector. The experiences we have gained working to better children's nutrition over the past three years will be the cornerstone for our efforts in the future.

First: We will strengthen the influence of the Spring Sprout Project to help more people by creating a ripple effect. By the end of 2015, the Spring Sprout Project will have completely covered the impoverished areas throughout China, established 2,000 more Spring Sprout Kitchens, and impacted another 1 million children. In 2014, ACF will set up 1,000 Spring Sprout Kitchens that will be concentrated in these four provinces and autonomous regions: Yunnan, Inner Mongolia, Qinghai and Shanxi.



Second: We will further strengthen ACF's role as an expert in terms of children's nutrition. In 2014, an overall evaluation of the Spring Sprout Project will be completed, which will provide a clear analysis on the improvements in children's nutrition made by the project as well as the social value of the project.

## Innovation |

Innovation is a principle that ACF has always adhered to throughout its development. Charity organizations, just like commercial enterprises, must start to explore new options made available to them in this digital age.

Charity organizations will have a chance to develop even faster if they embrace new opportunities to make themselves more accessible, easier to get involved with, and easier to share with others. In the future, it will be the organizations that follow these new trends; using new technologies to provide more convenient methods of donation; offer higher quality, customized donor services; and more diversified communication channels that will win the recognition and support from the public.

Step One: Create a WeChat charity payment platform that simplify the participation process to increase the user loyalty and enhance ACF's brand influence.

Step Two: Create a WeChat service account to provide customized service for donors.

Step Three: Through the use of social media platforms and the "viral" sharing of information, create interesting, influential content that will promote awareness of the Foundation among the general public

## Openness |

We will also become more actively involved in the development of the charity sector to give the Foundation a voice in this sector.

We will set up the "Chinese Volunteer Action Award" with the help of the China Volunteer Foundation, the most authoritative volunteer platform, to commend superior projects, innovative patterns, excellent organizations and individuals.

Secondly, we will keep building up the credibility of the Foundation so as to maintain its leading role in the field.

Thirdly, we will keep developing and improving the China Philanthropy Talents Development Program. By creating a "Huangpu Military Academy" for the Chinese charity sector, we will cultivate leaders for the sector, promote its development, and optimize its resources.



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