



Financials

2006-2007 Quarterly Results

DISCLAIMER : The financial results as presented in this data sheet have been prepared on an unaudited basis, and may be subject to change. The9 Limited assumes no responsibility for individual investment decisions based on the information as contained herein.

The9 Limited -- Income Statement

| (RMB) | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Gross Revenue | 223,464,562 | 271,294,103 | 245,754,036 | 297,815,077 | 284,697,240 | 284,621,598 | 333,329,839 | 447,480,767 |
| - Online game services | 220,780,344 | 269,297,417 | 241,164,777 | 296,721,036 | 281,304,681 | 276,501,327 | 321,723,690 | 451,447,519 |
| - Game operating support, website solutions and advertisement | 755,100 | 877,805 | 2,671,945 | 495,169 | 2,623,071 | 7,339,827 | 2,155,636 | -3,574,062 |
| - Others | 1,929,118 | 1,118,881 | 1,917,314 | 598,872 | 769,488 | 780,444 | 9,450,513 | -392,690 |
| Business Taxes | 11,317,419 | 13,678,907 | 12,367,467 | 15,138,187 | 14,695,927 | 14,633,882 | 17,363,309 | 23,829,498 |
| Net Revenues | 212,147,143 | 257,615,196 | 233,386,569 | 282,676,890 | 270,001,313 | 269,987,716 | 315,966,530 | 423,651,269 |
| Cost of services | 117,045,133 | 133,494,332 | 125,522,051 | 147,970,185 | 139,741,064 | 155,380,871 | 183,802,302 | 221,122,594 |
| Gross Profit/ (loss) | 95,102,010 | 124,120,864 | 107,864,518 | 134,706,705 | 130,260,249 | 114,606,845 | 132,164,228 | 202,528,675 |
| Operating Expenses | 38,270,871 | 54,147,101 | 44,560,988 | 54,660,173 | 58,132,691 | 74,492,333 | 88,471,866 | 122,598,539 |
| - Development costs | 8,906,763 | 8,949,190 | 7,749,225 | 5,176,455 | 9,594,597 | 11,406,746 | 8,005,085 | 12,423,659 |
| - Sales and Marketing | 11,026,504 | 18,866,530 | 11,699,467 | 17,982,287 | 16,092,437 | 22,518,505 | 31,886,696 | 32,765,596 |
| - General and Administrative | 18,337,604 | 26,331,381 | 25,112,296 | 31,501,431 | 32,445,657 | 40,567,082 | 48,580,085 | 58,704,868 |
| - Impairment of intangible asset | | | | | | | | 18,704,416 |
| Profit (Loss) from Operations | 56,831,139 | 69,973,763 | 63,303,530 | 80,046,532 | 72,127,558 | 40,114,512 | 43,692,362 | 79,930,136 |
| - Interest income, net | 1,208,529 | 2,424,839 | 2,479,258 | 3,023,648 | 4,408,329 | 9,515,538 | 18,124,257 | 18,607,576 |
| - Other income (expenses), net | (498,355) | 10,826,408 | (1,034,921) | 19,123,592 | (873,104) | 4,148,574 | (16,120,271) | -17,208,818 |
| Income Tax Benefit (expense) | 188,891 | 670,935 | 794,368 | 1,015,569 | -8,073,294 | -1,102,507 | -6,819,088 | 6,726,258 |
| Income (loss) before gain on investment disposal, impairment on investment and gain (loss) on equity investments | 57,730,204 | 83,895,945 | 65,542,235 | 103,209,341 | 67,589,489 | 52,676,117 | 38,877,260 | 88,055,152 |
| Gain on investment disposal | - | - | - | 23,409,702 | - | - | - | - |
| Impairment loss on investment | - | - | - | (20,401,915) | - | - | - | (627,380) |
| Gain (loss) on equity investments, net of taxes | 1,077,589 | 370,749 | (1,208,010) | (1,148,792) | -1,504,470 | -2,064,807 | (691,118) | (1,418,289) |
| Minority Interests | - | - | - | - | - | - | - | - |
| Net income (loss) | 58,807,793 | 84,266,694 | 64,334,225 | 105,068,336 | 66,085,019 | 50,611,310 | 38,186,142 | 86,009,483 |

The9 Limited -- Balance Sheet

| (RMB) | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Cash and cash equivalents | 611,690,626 | 657,777,151 | 761,867,382 | 937,845,817 | 859,597,646 | 2,087,038,773 | 2,076,171,417 | 2,215,281,857 |
| Accounts receivable | 7,117,876 | 4,313,019 | 6,832,322 | 10,174,484 | 10,417,201 | 14,060,202 | 20,651,610 | 26,654,274 |
| Due from related parties | 12,713,716 | 13,046,881 | 13,222,944 | - | - | - | - | - |
| Advance to suppliers | 4,432,866 | 10,869,284 | 10,085,054 | 9,036,620 | 5,949,176 | 13,906,012 | 10,111,742 | 8,943,273 |
| Deferred costs | 30,293,551 | 31,416,786 | 31,541,728 | 33,324,942 | 34,940,184 | 38,222,018 | 43,041,860 | 47,759,013 |
| Prepayments and other current assets | 35,170,892 | 27,840,246 | 15,176,558 | 69,153,131 | 39,486,507 | 85,065,070 | 83,479,358 | 39,064,809 |
| Prepaid royalties | 22,953,245 | 34,356,931 | 43,601,240 | 27,558,207 | 17,248,311 | 65,237,951 | 100,455,847 | 71,937,382 |
| Deferred tax assets, current | - | - | - | - | 7,559,570 | 19,277,045 | 9,734,632 | 5,118,345 |
| Total Current Assets | 724,372,772 | 779,620,298 | 882,327,228 | 1,087,093,201 | 975,198,595 | 2,322,807,071 | 2,343,646,466 | 2,414,758,953 |
| Investment in equity investees | 47,913,581 | 48,284,332 | 70,926,125 | 30,117,605 | 28,613,136 | 36,548,329 | 35,857,211 | 18,236,274 |
| Available-for-sale investment | - | - | - | - | - | - | - | 29,218,400 |
| Property, equipment and software | 221,585,026 | 205,927,773 | 234,553,704 | 227,512,006 | 225,860,116 | 400,404,029 | 377,614,217 | 344,393,472 |
| Goodwill | 30,199,751 | 30,199,751 | 30,199,751 | 30,199,751 | 30,199,751 | 30,199,751 | 30,199,751 | 30,199,751 |
| Land use right | - | - | - | - | - | 84,680,120 | 84,199,893 | 83,719,665 |
| Intangible Assets | 266,093,135 | 288,962,210 | 265,656,844 | 244,271,279 | 243,141,511 | 287,590,794 | 302,576,240 | 277,264,136 |
| Prepayment for equipments | - | - | - | - | 244,628,873 | 14,000,000 | 14,000,000 | 18,500,000 |
| Long term deposits | 3,132,338 | 3,132,338 | 3,132,338 | - | 454,212 | 454,212 | 454,212 | 454,212 |
| Deferred tax assets, non-current | 2,874,259 | 3,581,186 | 4,375,554 | 5,391,123 | 7,788,458 | 12,509,963 | 15,453,966 | 29,356,533 |
| Total Non-current Assets | 571,798,090 | 580,087,590 | 608,844,316 | 537,491,764 | 780,686,057 | 866,387,198 | 860,355,490 | 831,342,443 |
| TOTAL ASSETS | 1,296,170,862 | 1,359,707,888 | 1,491,171,544 | 1,624,584,965 | 1,755,884,652 | 3,189,194,269 | 3,204,001,956 | 3,246,101,396 |
| Accounts Payable | 7,120,233 | 11,112,847 | 9,319,020 | 12,692,978 | 29,478,199 | 41,254,004 | 30,018,263 | 48,946,062 |
| Due to related parties | 2,100,894 | 4,106,731 | 500,696 | 332,797 | 385,186 | 141,451 | 240,863 | 77,052 |
| Income tax payable | - | - | - | - | 18,030,198 | 62,107,206 | 2,779,795 | 2,329,457 |
| Other taxes payable | 8,242,817 | 4,982,104 | 7,416,477 | 23,589,754 | 16,526,947 | 15,158,755 | 29,593,342 | 55,234,788 |
| Advances from customers | 72,317,690 | 71,533,794 | 128,743,462 | 88,040,975 | 110,928,121 | 132,056,841 | 148,970,561 | 118,156,157 |
| Deferred revenue | 96,804,555 | 102,585,414 | 103,213,218 | 111,302,531 | 119,310,200 | 132,314,891 | 150,437,885 | 166,916,111 |
| Other payables and accruals | 25,854,190 | 32,424,612 | 35,607,776 | 52,467,643 | 42,598,296 | 64,838,583 | 43,730,536 | 48,351,220 |
| Acquisition related liability | 39,965,380 | - | - | - | - | - | - | - |
| Total Current Liabilities | 252,405,759 | 226,745,502 | 284,800,649 | 288,426,678 | 337,257,147 | 447,871,731 | 405,771,245 | 440,010,847 |
| Minority interest | - | - | - | - | - | - | - | - |
| Common stock | 2,026,642 | 2,026,718 | 2,029,389 | 2,041,673 | 2,048,292 | 2,399,459 | 2,400,343 | 2,350,463 |
| Additional paid-in capital | 903,018,526 | 908,008,422 | 917,080,035 | 941,786,807 | 958,164,387 | 2,229,896,942 | 2,248,618,089 | 2,218,516,672 |
| Statutory reserves | 20,745,422 | 20,745,422 | 20,745,422 | 20,745,422 | 20,745,422 | 20,745,422 | 20,745,422 | 20,745,422 |
| Accumulated other comprehensive loss | 59,383 | - | - | - | - | - | - | 13,643,131 |
| Retained earning (Accumulated deficit) | 117,915,130 | 202,181,824 | 266,516,049 | 371,584,385 | 437,669,404 | 488,280,715 | 526,466,857 | 550,834,861 |
| Total Shareholders' Equity (Deficit) | 1,043,765,103 | 1,132,962,386 | 1,206,370,895 | 1,336,158,287 | 1,418,627,505 | 2,741,322,538 | 2,798,230,711 | 2,806,090,549 |
| TOTAL LIABILITIES AND EQUITY | 1,296,170,862 | 1,359,707,888 | 1,491,171,544 | 1,624,584,965 | 1,755,884,652 | 3,189,194,269 | 3,204,001,956 | 3,246,101,396 |