

**THE9 LIMITED**  
**CONSOLIDATED BALANCE SHEETS**

(Expressed in Renminbi - RMB and US Dollars - US\$)

	As at		
	March 31, 2005 RMB	March 31, 2005 US\$	December 31, 2004 RMB
	(unaudited)	(unaudited)	(audited)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	606,000,450	73,219,410	793,405,288
Note receivable	2,250,000	271,854	-
Accounts receivable	9,490,543	1,146,686	16,686,079
Due from related parties	4,171,411	504,007	4,883,135
Advances to suppliers	45,440,690	5,490,327	15,591,310
Prepayments and other current assets	27,636,134	3,339,109	16,022,357
Dividend receivable	12,663,045	1,530,000	8,442,030
<b>Total current assets</b>	<b>707,652,273</b>	<b>85,501,393</b>	<b>855,030,199</b>
Investments in affiliated companies	80,467,626	9,722,422	88,338,021
Property, equipment and software	66,043,724	7,979,668	8,082,280
Intangible assets	34,906,277	4,217,517	33,293,989
Long-term deposits	-	-	314,466
Loan receivable from a related party	57,382,107	6,933,137	38,386,260
Deferred tax assets, non-current	4,687,908	566,412	3,150,000
<b>Total Assets</b>	<b>951,139,915</b>	<b>114,920,549</b>	<b>1,026,595,215</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable	6,665,129	805,308	2,272,194
Note payable	29,357,898	3,547,139	-
Due to related parties	34,855,058	4,211,328	124,251,127
Income tax payable	1,294,671	156,427	607,560
Other taxes payable	62,823	7,591	1,299,680
Advances from customers	1,160,904	140,266	1,488,478
Deferred revenue	4,139,565	500,159	2,222,284
Other payables and accruals	11,417,560	1,379,515	15,640,310
Deferred tax liability, current	1,663,541	200,996	1,483,291
<b>Total current liabilities</b>	<b>90,617,149</b>	<b>10,948,729</b>	<b>149,264,924</b>
Minority interests	5,469,023	660,789	12,165,055
<b>Shareholders' Equity</b>			
Common shares (US\$0.01 par value; 24,186,250 shares issued and outstanding as of December 31, 2004)	2,001,781	241,863	2,001,781
Deferred compensation cost	(201,598)	(24,358)	-
Additional paid-in capital	856,384,955	103,471,873	855,797,000
Statutory reserves	54,172	6,545	54,172
Accumulated other comprehensive loss	(15,168)	(1,833)	(14,617)
Accumulated income (Loss)	(3,170,399)	(383,060)	7,326,900
<b>Total shareholders' equity</b>	<b>855,053,743</b>	<b>103,311,030</b>	<b>865,165,236</b>
<b>Total liabilities and shareholders' equity</b>	<b>951,139,915</b>	<b>114,920,548</b>	<b>1,026,595,215</b>