



Financials

2005-2006 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 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006
Gross Revenue	12,794,434	58,488,329	194,507,475	223,400,614	223,464,562	271,294,103	245,754,036	297,815,077
- Online game services	209,717	55,257,690	190,369,969	220,717,384	220,780,344	269,297,417	241,164,777	296,721,036
- Game operating support, website solutions and advertisement	3,164,888	1,111,081	886,274	887,822	755,100	877,805	2,671,945	495,169
- Others	9,419,829	2,119,558	3,251,232	1,795,408	1,929,118	1,118,881	1,917,314	598,872
Business Taxes	539,152	2,791,864	9,668,918	11,164,248	11,317,419	13,678,907	12,367,467	15,138,187
Net Revenues	12,255,282	55,696,465	184,838,557	212,236,366	212,147,143	257,615,196	233,386,569	282,676,890
Cost of services	7,624,678	25,571,664	92,269,316	114,950,079	117,045,133	133,494,332	125,522,051	147,970,185
Gross Profit/ (loss)	4,630,604	30,124,801	92,569,241	97,286,287	95,102,010	124,120,864	107,864,518	134,706,705
Operating Expenses	21,931,790	56,128,555	42,173,886	44,664,074	38,270,871	54,147,101	44,560,988	54,660,173
- Development costs	8,279,103	21,594,703	2,943,205	7,825,264	8,906,763	8,949,190	7,749,225	5,176,455
- Sales and Marketing	5,060,598	20,839,936	21,732,114	14,172,398	11,026,504	18,866,530	11,699,467	17,982,287
- General and Administrative	8,592,089	13,693,916	17,498,567	22,666,412	18,337,604	26,331,381	25,112,296	31,501,431
Profit (Loss) from Operations	(17,301,186)	(26,003,754)	50,395,355	52,622,213	56,831,139	69,973,763	63,303,530	80,046,532
- Interest income, net	3,021,368	3,781,730	2,576,425	642,082	1,208,529	2,424,839	2,479,258	3,023,648
- Other income (expenses), net	(169,056)	5,219,079	(2,791,569)	12,208,696	(498,355)	10,826,408	(1,034,921)	19,123,592
Income Tax Benefit (expense)	1,254,558	(3,577,497)	1,421,498	733,186	188,891	670,935	794,368	1,015,569
Income (loss) before gain on investment disposal, impairment on investment and gain (loss) on equity investments	(13,194,316)	(20,580,442)	51,601,709	66,206,177	57,730,204	83,895,945	65,542,235	103,209,341
Gain on investment disposal	-	-	-	6,715,917	-	-	-	23,409,702
Impairment loss on investment	-	-	-	-	-	-	-	(20,401,915)
Gain (loss) on equity investments, net of taxes	(495,447)	(4,011,145)	(4,628,782)	(4,601,416)	1,077,589	370,749	(1,208,010)	(1,148,792)
Minority Interests	3,192,464	1,576,699	(9,309,731)	-	-	-	-	-
Net income (loss)	(10,497,299)	(23,014,888)	37,663,196	68,320,678	58,807,793	84,266,694	64,334,225	105,068,336

The9 Limited -- Balance Sheet

(RMB)	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006
Cash and cash equivalents	606,000,450	523,300,516	482,979,139	488,244,667	611,690,626	657,777,151	761,867,382	937,845,817
Notes receivables	2,250,000	2,250,000	-	-	-	-	-	-
Accounts receivable	9,490,543	3,236,506	7,954,474	10,593,866	7,117,876	4,313,019	6,832,322	10,174,484
Due from related parties	4,171,411	4,881,738	-	12,395,125	12,713,716	13,046,881	13,222,944	-
Advance to suppliers	45,440,690	32,428,655	35,084,583	4,289,443	4,432,866	10,869,284	10,085,054	9,036,620
Advance payments for renovation of new office	-	-	18,236,498	-	-	-	-	-
Deferred costs	-	9,191,510	19,264,972	24,075,214	30,293,551	31,416,786	31,541,728	33,324,942
Prepayments and other current assets	27,636,134	19,996,474	15,461,526	28,395,864	35,170,892	27,840,246	15,176,558	69,153,131
Prepaid royalties	-	84,256,795	56,555,587	42,995,946	22,953,245	34,356,931	43,601,240	27,558,207
Dividend receivable	12,663,045	-	-	-	-	-	-	-
Total Current Assets	707,652,273	679,542,194	635,536,779	610,990,125	724,372,772	779,620,298	882,327,228	1,087,093,201
Investment in equity investees	80,467,626	76,456,482	81,458,013	46,835,993	47,913,581	48,284,332	70,926,125	30,117,605
Property, equipment and software	66,043,724	154,058,488	184,706,189	231,436,683	221,585,026	205,927,773	234,553,704	227,512,006
Goodwill	-	-	33,422,094	30,199,751	30,199,751	30,199,751	30,199,751	30,199,751
Intangible Assets	34,906,277	30,244,912	306,213,375	289,035,226	266,093,135	288,962,210	265,656,844	244,271,279
Long term deposits	-	3,132,338	3,132,338	3,132,338	3,132,338	3,132,338	3,132,338	-
Deferred tax assets, non-current	4,687,908	1,285,937	1,371,278	2,104,464	2,874,259	3,581,186	4,375,554	5,391,123
Loan receivable from a related party	57,382,107	82,249,784	-	-	-	-	-	-
Total Non-current Assets	243,487,642	347,427,941	610,303,287	602,744,455	571,798,090	580,087,590	608,844,316	537,491,764
TOTAL ASSETS	951,139,915	1,026,970,135	1,245,840,066	1,213,734,580	1,296,170,862	1,359,707,888	1,491,171,544	1,624,584,965
Accounts Payable	6,665,129	16,333,210	19,933,233	15,948,674	7,120,233	11,112,847	9,319,020	12,692,978
Notes payable	29,357,898	29,539,867	29,539,867	-	-	-	-	-
Due to related parties	34,855,058	21,001,167	21,558,631	3,181,004	2,100,894	4,106,731	500,696	332,797
Taxes payable	1,357,494	4,585,784	3,694,696	8,123,356	8,242,817	4,982,104	7,416,477	23,589,754
Advances from customers	1,160,904	63,778,755	67,193,255	61,651,267	72,317,690	71,533,794	128,743,462	88,040,975
Deferred revenue	4,139,565	38,668,619	61,380,220	76,514,940	96,804,555	102,585,414	103,213,218	111,302,531
Other payables and accruals	11,417,560	17,104,431	15,571,031	26,793,070	25,854,190	32,424,612	35,607,776	52,467,643
Deferred tax liability	1,663,541	-	-	-	-	-	-	-
Acquisition related liability	-	-	155,788,334	79,537,653	39,965,380	-	-	-
Total Current Liabilities	90,617,149	191,011,833	374,659,267	271,749,964	252,405,759	226,745,502	284,800,649	288,426,678
Minority interest	5,469,023	3,892,324	-	-	-	-	-	-
Common stock	2,001,781	2,001,781	2,003,242	2,004,033	2,026,642	2,026,718	2,029,389	2,041,673
Additional paid-in capital	856,183,357	856,201,800	858,701,877	860,068,478	903,018,526	908,008,422	917,080,035	941,786,807
Statutory reserves	54,172	54,172	54,172	54,172	20,745,422	20,745,422	20,745,422	20,745,422
Accumulated other comprehensive loss	(15,168)	(6,489)	(1,056,402)	59,346	59,383	-	-	-
Retained earning (Accumulated deficit)	(3,170,399)	(26,185,286)	11,477,910	79,798,587	117,915,130	202,181,824	266,516,049	371,584,385
Total Shareholders' Equity (Deficit)	855,053,743	832,065,978	871,180,799	941,984,616	1,043,765,103	1,132,962,386	1,206,370,895	1,336,158,287
TOTAL LIABILITIES AND EQUITY	951,139,915	1,026,970,135	1,245,840,066	1,213,734,580	1,296,170,862	1,359,707,888	1,491,171,544	1,624,584,965